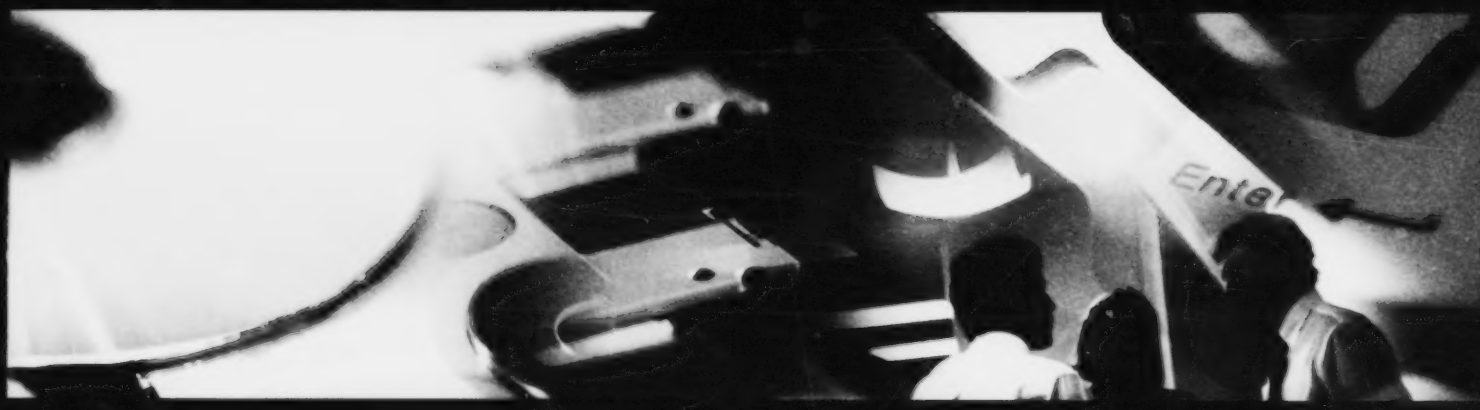
Atlantic Canada
Business Environment Profile



A compendium of information of relevance to corporate decision makers considering expanding their businesses to Atlantic Canada

Atlantic Canada Opportunities Agency
Agence de promotion économique du Canada atlantique
Canada

103-03602/

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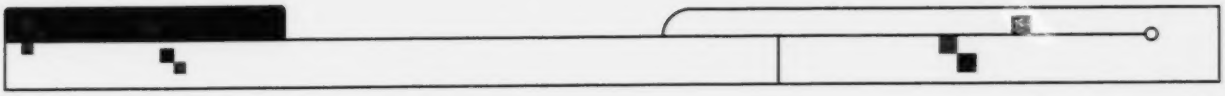
Visit the Atlantic Canada Opportunities Agency Web site for the Internet version *www.acoa-apeca.gc.ca*



Atlantic Canada Opportunities Agency

Agence de promotion économique du Canada atlantique

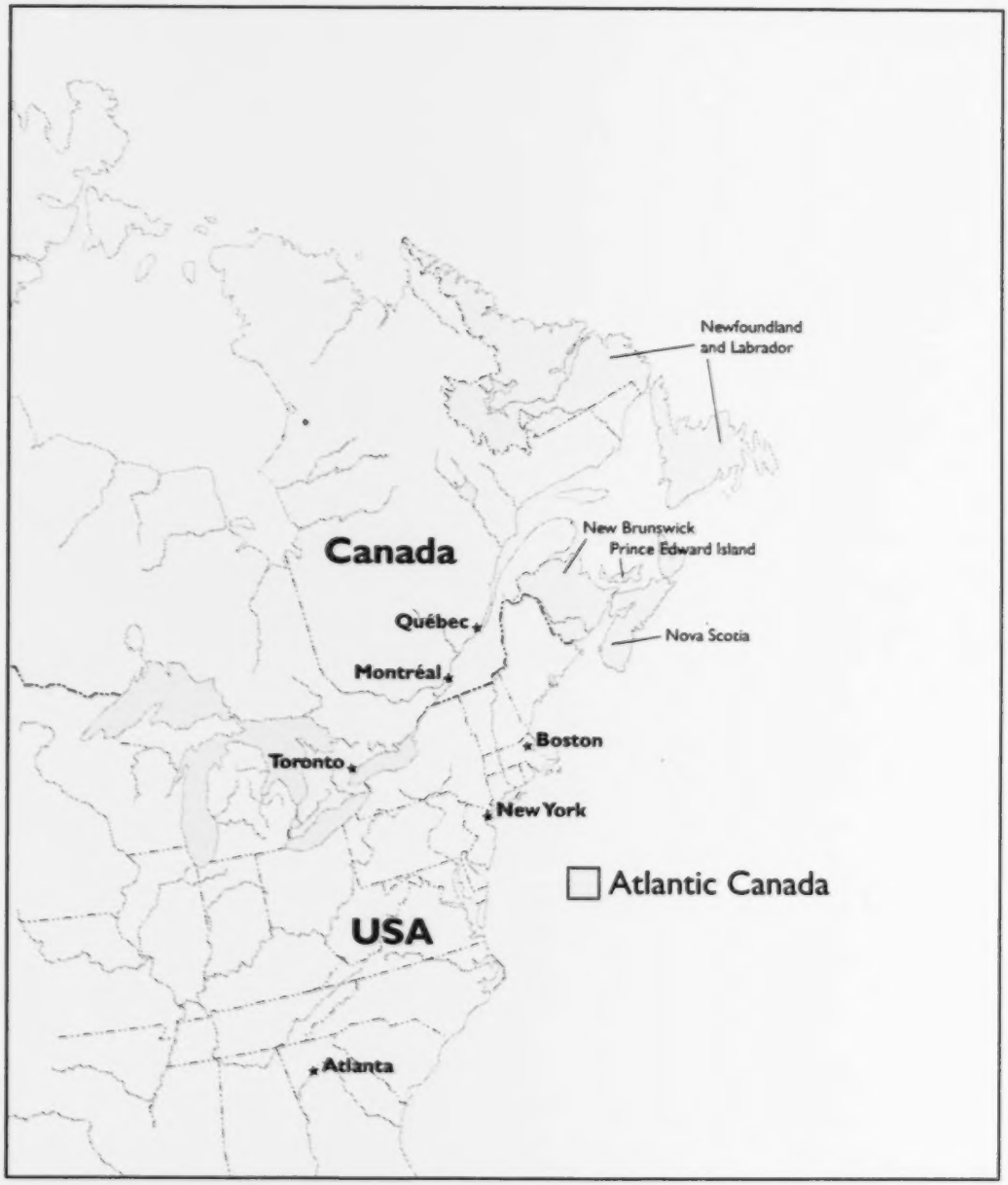
Canada

A Commitment to Sustainable Development

At ACOA, we believe that a healthy environment is essential to the development of a strong, growing and sustainable economy. We are committed to protecting the environment of this region by promoting sustainable businesses and communities in Atlantic Canada and by setting an example in the environmental management of ACOA's own operations.

Catalogue Number: C89-4/96-2002E
ISBN Number: 0-662-33156-7
ACOA: 2003-01

This document can be used as a reference tool by site locators and corporate decision makers. It provides basic relevant information about Atlantic Canada to businesses considering locating operations in the region.



Atlantic Canada is a region on the east coast of Canada bordering the Province of Quebec, the New England states of the United States of America, and the Atlantic Ocean.

The area, consisting of the provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador, is a relatively undiscovered jewel of economic potential in North America.

While traditional resource industries such as fishing, agriculture, mining and forestry formed the underpinnings of the economy, times have changed. An emerging oil and gas sector has become a major growth area due to the recent development of significant reserves. As well, the information technology sector is flourishing. This 'people' industry succeeds here as a result of superior education facilities (including 19 universities) and a work ethic that is the talk of many European and United States firms that have located here. The information technology sector is supported by one of the most advanced telecommunications systems in the world.

The quality of the workforce, combined with the most cost-effective operating structures in North America, is attracting more and more foreign businesses. They come here not just to serve the Canadian market, but to use Atlantic Canada as a base for serving other markets.

Atlantic Canada has a population of approximately 2.4 million. Major cities are Moncton, Saint John and Fredericton in New Brunswick, St. John's and Corner Brook in Newfoundland and Labrador, Halifax and Sydney in Nova Scotia, and Charlottetown in Prince Edward Island.

Things 'work' in Atlantic Canada. All of Canada's chartered banks and top law and accounting firms have offices throughout Atlantic Canada. Governments are well run and efficient. Corporate taxes are stable and as low as those of most states in the United States. Universal health care is paid for through taxes, so employers do not bear the direct costs. Notwithstanding this fact, corporate tax rates compare favourably with U.S. rates (see *Taxation*).

The region is relatively free of earthquakes, hurricanes and tornadoes. While there is snow from December to April, sophisticated snow removal systems ensure that businesses continue to run every day throughout the winter. Winter recreational facilities and sports are enthusiastically maintained and pursued. Spring, summer and fall are beautiful seasons with temperatures in the summer averaging in the low 70s Fahrenheit.

Crime rates are low.

The region is linked directly to Interstate 95 in the United States. As well, rail and airline connections make getting here quite easy. Major seaports such as Halifax, St. John's and Saint John connect with all of the world's other major seaports.

Atlantic Canada wants your business and would like the opportunity to earn it by proving to you that it is the most cost effective, productive and supportive business location for your expansion or relocation.

Coming to this region definitely improves the corporate bottom line. A host of well-known international firms have and continue to locate here. Smaller businesses also flourish.

There is no greater testimonial to a given region than the quality of companies who have located to and thrived within it. From home grown to international business, bottom line profits are maximized here. Industries include aerospace, biotech, life sciences, customer contact centres etc. Home grown companies like McCain Foods Limited, one of the largest food processing firms in the world, are headquartered here and have extensive operations in the region.

Michelin manufactures tires here, IT firms such as OAO Technology Solutions and customer contact centres like Convergys, Staples, United Parcel Service (UPS) and Electronic Data Systems (EDS) located here to serve both the Canadian and United States market. Stream International and Xerox have chosen Atlantic Canada as has Wirsbso, from Minnesota, for a plastics plant.

All dollars shown are in US. In some cases Canadian dollars are also shown for comparative purposes.

As much of the information was sourced over a period of time from different databases the exchange rate varied. Generally on average US$1 = C$1.57 Canadian.

Economy/Major Industries

The four Canadian provinces comprising Atlantic Canada are the closest North American land mass to Europe, and border New England. As a result, foreign investment and exports flow both ways from and to Europe and the United States.

The economy is strong and is growing. With a GDP of US$36.4 billion, goods are traded inter-provincially within Canada, as well as exported to countries around the world. Exports in 2001 amounted to US$11.8 billion. Fully $9.7 billion of this was exported to the United States, with close to $1 billion going to Europe.

Exports include electricity, natural gas, oil, forest products (including lumber, pulp, paper) potash, food, seafood, minerals and manufactured goods. Manufacturing shipments were approximately US$1.2 billion in 2001.

In the past 10 years, the region has become a major hub for customer contact centres. The availability of educated labour and competitive wage costs has made the region particularly attractive for the customer relationship management business and application support centres.

In the summer of 2002, the Atlantic Provinces Economic Council revised its 2002 forecast for the region citing a faster than expected economic recovery. Newfoundland and Labrador, led by crude oil exports and major capital projects is now projected to see its economy grow by 5.7%. The Prince Edward Island economy should see growth of 3.0% and Nova Scotia should reach 2.9%, largely from off shore exploration. New Brunswick's GDP growth is expected to be 2.4% led by the consumer sector.

2001 Export Tables
By NAICS Code

Table 1 - **Top 25 Atlantic Canada Exports by Industry**

	Value in Thousands of US Dollars
Petroleum Refineries	$ 2,966,000
Seafood Product Preparation	1,371,000
Paper Mills	1,355,000
Oil and Gas Extraction	933,000
Sawmills and Wood Preservation	591,000
Tire Manufacturing	485,000
Pulp Mills	473,000
Fishing	428,000
Iron Ore Mining	317,000
Frozen Food Manufacturing	286,000
Other Non-Metallic Mineral	165,000
Veneer, Plywood and Engineered Wood	135,000
Electric Power Generation	124,000
Animal Aquaculture	120,000
Copper, Nickel, Lead and Zinc	91,000
Paperboard Mills	89,100
Railroad Rolling Stock Manufacturing	74,000
Other Rubber Products Manufacturing	53,000
Plate Work and Fabricated Structural	52,000
Unsupported Plastic Film	52,000
Navigational, Measuring, Medical	50,000
Vegetable and Melon Farming	44,000
All Other Wood Product Manufacturing	43,000
Nursery and Floriculture Production	43,000
Material Handling Equipment	40,000

Table 2 - **Top 8 Countries for Atlantic Canada Exports**

	Value in Thousands of US Dollars
United States	$ 9,711,000
Japan	248,000
France	233,000
Germany	186,000
United Kingdom	186,000
Brazil	104,000
Italy	103,000
China	92,000

Table 3 - **Top 25 Atlantic Canada Exports to the United States, by Industry**

	Value in Thousands of US Dollars
Petroleum Refineries	$ 2,819,000
Paper Mills	947,000
Oil and Gas Extraction	933,000
Seafood Product Preparation	916,000
Sawmills and Wood Preservation	562,000
Tire Manufacturing	457,000
Fishing	365,000
Pulp Mills	314,000
Frozen Food Manufacturing	221,000
Veneer, Plywood and Engineered Wood	128,000
Electric Power Generation	124,000
Animal Aquaculture	120,000
Other Non-Metallic Mineral	107,000
Railroad Rolling Stock Manufacturing	74,000
Paperboard Mills	70,000
Iron Ore Mining	55,000
Other Rubber Products Manufacturing	52,000
Unsupported Plastic Film	50,000
Plate Work and Fabricated Structural	50,000
Nursery and Floriculture Production	42,000
All Other Wood Product Manufacturing	41,000
Vegetable and Melon Farming	36,000
Household and Institutional	34,000
Non-Ferrous Metal	33,000
Ornamental and Architectural	32,000

Atlantic Canada

Economic Indicators (Source – Statistics Canada, unless otherwise indicated)

Gross Domestic Product	US$36.4 billion
Population	2,372,100
Employment (March 2002)	1,052,900
Unemployment Rate	11.7%
Participation Rate	61.5%
Average weekly earnings	US$378.00

Economic Outlook 2002 (Source – Conference Board of Canada)

Real GDP Change	3.4%
Employment Growth	1.4%
Unemployment Rate	12.0%

Government in Atlantic Canada

It is useful to understand how government works when doing business in Atlantic Canada. The democratic parliamentary system of government, based on the British model, is the governing system used in Canada, at both the federal and provincial levels. The federal government is elected to a House of Commons, which is the federal governing body. Elected officials are referred to as Members of Parliament (MPs). Provincially, individuals are elected to Provincial Legislatures to represent the interests of the individual provinces. Powers are split between federal and provincial governments. For example, national defence, Indian affairs, foreign policy and immigration are federal responsibilities, while health care and education are provincial responsibilities.

Municipal governments exist at a level below both the federal and provincial governments. They, too, are controlled by elected officials, often referred to as councillors, and have responsibilities for the maintenance of their respective communities.

The major federal political parties are the Liberal Party, the Canadian Alliance Party, the Progressive Conservative Party and the New Democratic Party and the Bloc Québécois. In Atlantic Canada, the major provincial parties are the Liberals, the Progressive Conservatives and the New Democratic Party. Elections both federally and provincially must be held within five years of a previous election.

Economic development is a shared responsibility between the four provinces and the federal government. Both levels of government offer incentives and services to business.

Incentives are available for businesses starting up in or relocating to Atlantic Canada, and to support growth of existing businesses, especially those that wish to grow an export market. Federally, the major Atlantic Canadian organization mandated to grow the Atlantic economy is the Atlantic Canada Opportunities Agency known as ACOA.

ACOA provides assistance to business in a variety of ways, including both interest-free loans and grants for specified activities. Other federal departments, such as Industry Canada, also provide financial and other assistance to businesses. Federal incentives for research and development activities are also available through ACOA. Canada offers among the most generous research and development (R&D) tax credits in the world.

Incentives are also available through the business development departments of the respective provinces. Many such programs are based on the number of jobs created by new or expanding business ventures.

When dealing with government officials, it is important to understand the distinction between elected officials and senior members of the public service (civil service). For example, when dealing with the economic development department, which may be referred to as a 'Ministry', it has as its head a 'Minister'. The Ministers make up the Premier's cabinet, the decision-making body. A Premier is the leader of a provincial government, much the same as a Governor is the head of a state government. The Minister of Economic Development is the ***elected*** official in charge of that portfolio. The highest-ranking public servant or bureaucrat is usually known as the 'Deputy Minister'. This distinction is important when you are entering discussions with the government.

The Prime Minister is the elected leader of the federal government, much the same as the President is the leader of the United States.

The business development departments of each province actively seek businesses looking to expand or relocate to Atlantic Canada. They work in conjunction with ACOA to attract business and should be the initial contact for any business seeking information about a specific province. Individual Web sites, as well as ACOA's, can be found at the end of this report under *Related Web sites*.

Government services in Atlantic Canada are streamlined and quite efficient. For example, obtaining permits and environmental impact assessments (EIAs), takes on average only a fraction of the time that it would take in the U.S.

Policing services in Atlantic Canada are provided by both the Royal Canadian Mounted Police (RCMP) and local municipal police forces, with the exception of the Royal Newfoundland Constabulary, which is the only provincial police force in Atlantic Canada.

Universal health care is provided by government in Canada and Atlantic Canada. This cost, therefore, is not born by the employer, but is funded through taxation. The system is referred to as Medicare.

The federal government also provides pensions to citizens (through the Canada Pension Plan) and employment insurance (temporary assistance) for individuals who lose their jobs.

The federal government has been operating with annual surpluses now for several years and has been able to reduce the national debt. Provincially, the Government of New Brunswick has had balanced budgets (and small surpluses) for several years, while the Provinces of Nova Scotia, Prince Edward Island and Newfoundland and Labrador have had small deficits.

The four Atlantic Provinces comprising Atlantic Canada have a history of fiscal responsibility. This fiscal responsibility ensures that corporations that locate in Atlantic Canada have no surprises. Taxation rates are stable (and even declining). This is evidenced in the following credit rating table:

Standard and Poor's and *Moody's Investors Service* currently rank the provinces as follows: (Spring 2002)

Credit Rating

Atlantic Canada	Standard & Poor's	Moody's Investors Service
Nova Scotia	A-	A3
New Brunswick	AA-	A1
Prince Edward Island	A	A2
Newfoundland and Labrador	A	A3

Economic Growth Targets of Government

While the Atlantic Canadian economy is closely linked to the traditional resource-based economies of forestry, fishing, mining and agriculture, the federal and four provincial governments are putting special emphasis on the following sectors:

Atlantic Canada Priority Sectors

- Aerospace and Defence
- Application Support Centres
- Biotechnology, Life Sciences
- e-Business
- Engineering
- Environmental products
- Food Processing
- High-End Customers Contact Centres
- Information Communication Technology
- Oil and Gas
- Manufacturing
- Textiles

Working in Atlantic Canada

Atlantic Canada welcomes business immigrants and foreign workers coming to the region on a temporary basis. Atlantic Canada offers temporary workers an excellent quality of life with a relatively low cost of living. Foreign companies can easily move employees in and out of Atlantic Canada. Here, they can enjoy rich cultural, entertainment and recreational activities while their Canadian operations thrive in a positive economic environment.

Immigration

In Canada, immigration is a shared responsibility of the federal and provincial governments. However, accepting immigrants and issuing visas is done by the federal government through the Department of Citizenship and Immigration.

In Atlantic Canada, individual provinces have signed bilateral agreements called *Provincial Nominee Agreements* allowing the provinces to play a more active role in immigration by selecting a number of immigrants to fulfil specific economic needs. According to these agreements, those nominated by the provinces will see their immigration applications processed expeditiously. Each province targets specific workers based on the industries they select for growth.

Currently, all four provinces have separate *Provincial Nominee Agreements* with the federal government.

How To Apply For Immigration

Canada operates on a one-step application process, which means that you must gather all your supporting documents in advance to be filed together with your application. The application kit can be obtained directly by downloading it from the Federal Government's Department of Citizenship and Immigration Canada's Web site. It must be filed outside of Canada at one of the Canadian Embassies, Consulates and High Commissions situated around the world.

In Canada, there are different categories or classes of immigrants. Independent Class immigrants are selected for the knowledge, skills and experience needed in Canada's labour market. Business Class immigration is a category that welcomes immigrants who have the experience and resources to contribute to the economy. This class includes investors, entrepreneurs and self-employed immigrants.

Working Temporarily in Canada

Atlantic Canada welcomes temporary workers. As foreign companies invest and locate in Atlantic Canada, they often require that their employees locate temporarily to Atlantic Canada to operate the businesses or transfer skills to the Atlantic Canadian workers. Temporary workers may stay up to seven years.

To work temporarily in Atlantic Canada, the company transferring an employee must ensure that the employee obtains an Employment Authorization. This can be initiated by contacting Citizenship and Immigration Canada www.cic.gc.ca or the nearest Canadian Consulate or Embassy www.dfait-maeci.gc.ca.

Demographics and Work Force

Atlantic Canada's four provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador have a combined population of 2,372,100 and a work force of 1,052,900.

A demographic overview of Atlantic Canada is as follows:

Population	Employment	Unemployment
2,372,100	1,052,900	138,000

Provinces of Atlantic Canada

	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador
Population	942,700	757,100	138,500	533,800
Employment	424,700	347,100	66,300	214,800
Employment Rate	56.3%	57.2%	59.5%	48.9%
Unemployment	45,500	40,300	9,400	42,800
Unemployment Rate	9.7%	10.4%	12.4%	16.6%

* Statistics Canada, March 2002

Demographic Characteristics

Atlantic Canada Work Force by Age Group (2001)

	(in 000s)
15 – 19	76.9
20 – 24	119.5
25 – 29	132.4
30 – 34	136.9
35 – 39	155.3
40 – 44	166.2
45 – 49	147.6
50 – 54	128.1
55 – 59	71.5
Total	1,134.4

Demographic Characteristics

2001 Atlantic Canada Workforce Educational Attainment 15 years and older	Number	Percentage (%)
Less than high school diploma	234,500	20%
High school diploma	213,500	18%
Some post secondary	100,800	9%
Post secondary certificate or diploma	434,500	37%
University degree	189,000	16%
Total	1,172,300	100%

Education

Atlantic Canada is an academic hotbed. With 19 universities and 27 community colleges, the region has more post secondary institutions per capita than anywhere else in Canada. Canada is recognized as one of the most progressive countries in the world when it comes to education.

Private sector training facilities are abundant across the region. Because our learning institutions confer internationally recognized degrees at all levels, our citizens graduate with skill levels that will meet or exceed most companies' requirements. A recognized degree can be obtained in Atlantic Canada at a cost considerably less than in the U.S. or Europe.

Over 200 different training programs are offered through Atlantic Canada's community college network. Many of the programs are co-operative education-based, meaning that periods of classroom training alternate with paid internships in the workplace. Highly qualified staff stay abreast of technology to create networks and partnerships with the private sector.

In addition, the community college network designs and delivers customized training programs that can be created or adapted to specific company requirements. Our colleges will work with you to identify your training needs.

Community college enrolment in 1998 – 1999 in the four Atlantic Canadian provinces was 20,100 full-time students. Similarly, enrolment of full-time students in universities was 64,100. University graduates numbered 15,200 in 1998.

Real Estate

Commercial real estate is available for lease or purchase. In Atlantic Canada, lease rates are among the lowest in North America. As well, construction costs are low and new buildings can be constructed quickly. Building permits are also issued quickly.

Many of the Atlantic Canadian cities and towns, as well as their provincial governments, are prepared to facilitate new building construction. They have developers, contractors and trades people available to construct build-to-lease properties on pre-zoned property. In many cases, designs are already available.

Following are tables of general relevant information for four Atlantic Canadian Cities:
** All dollar amounts shown in US dollars*

Business Parks (Halifax Regional Municipality)	**Total Acreage**	**Available Acreage**
Industrial	5,494	137 acres
Research	2,400	
	Cost	**Cost**
Average Cost Per Acre For Fully Developed Sites	City (non CBD)	Suburban
Industrial	n/a	$39,204-$104,544
Office	$77,101	$77,101

Office, Warehouse and Industrial Space

Average Asking Rents (per square foot – net)	**City**	**Suburban**	**Total Weighted Average**
Class A office	11.40	9.60	10.54
Class B office	8.40	7.20	7.87
Class C office	6.30	5.40	5.67
Warehouse	n/a	3.30	3.42

Vacancy Rates (%)	**City**	**Suburban**	**Total Weighted Average**
Downtown			
Class A office	7.7%	10.4%	9.0%
Class B office	7.7%	15.9%	11.3%
Class C office	2.2%	16.8%	12.3%
Warehouse		6.4%	8.8%
Total	7.3%	13.8%	10.5%

Business Parks (Greater Moncton Area, NB)	**Acreage**	**Available Acreage**
Industrial (3 industrial parks: Moncton, Caledonia, Dieppe)	2,860	1,246
Office	No specified office park in development	60 acres
# of Fully Serviced Free Standing Sites		
Ten plus acres of industrial zoned	44 sites	7 sites available
Five plus acres of office zoned	none specified	
	Cost	**Cost**
Average Cost Per Acre For Fully Developed Sites		
Industrial	City (non CBD)	Suburban
Office	$21,000	$10,800–$18,000

Office, Warehouse and Industrial Space

Average Asking Rents (per square foot – net)	**City**	**Suburban**	**Total Weighted Average**
Class A office	8.40-9.00	8.40-9.00	8.64
Class B office	6.60-7.20	6.00	6.72
Class C office	4.80-6.00	4.10-5.40	5.82
Warehouse	n/a	2.40-3.60	3.03
Individual	n/a	n/a	n/a

Vacancy Rates (%) Office	**City**	**Suburban**	**Total Weighted Average**
Downtown	4.3%	n/a	n/a
Class A office	5.2%		
Class B office	9.6%		
Warehouse	n/a		
Individual	5.7%		

Vacancy Rates (%) Warehouse/Industrial	**Owner occupied + lease-back**	**Lease-back Only**	**Total Weighted Average**
Moncton Industrial Park	5.9%	12.8%	n/a
Caledonia Industrial Park	5.2%	8.7%	
Dieppe Industrial Park	2.6%	26.7%	
Total	5.1%	13.5%	

Business Parks (St. John's, NL)	City (non-CBD)	Suburban
Average Cost Per Acre For Fully Developed Sites	$86,000 - $107,000	$80,000 – $102,000
Industrial		
Office		

Office, Warehouse and Industrial Space

Average Asking Rents Downtown only (psf)	City	Suburban
Class A office	$ 8.28 net	
Class B office	$ 6.37 net	
Class C office	$ 5.73 net	
Warehouse (St. John's, Mount Pearl, Paradise)		$3 – $4.50 net
Individual		

Business Parks (Charlottetown, PEI)	Total Acreage	Available Acreage
Industrial	250 acres	64 acres
Office		
Research		
# of fully serviced free standing sites	150 lots of which 30 available	
# of ten plus acres of industrial zoned	3 lots @ 10 acres	
# of five plus acres of office zoned	6 lots @ 5 acres	
Average cost/acre for fully developed sites	City (non CBD)	Suburban (rural)
Industrial	$41,600	$16,000
Office		

Office, Warehouse and Industrial Space

Average Asking Rents	City	Suburban (Rural)
Class A office	$19.20	n/a
Class B office	$16.00	$9.60
Class C office	$ 9.60 - 12.80	$6.40
Warehouse	$ 4.48 - 6.40	$3.20
Individual	$ 4.48 - 6.40	$3.20

Vacancy Rates	City	Suburban (Rural)
Downtown	5% - 10%	
Class A office	5% - 10%	
Class B office	5% - 10%	
Class C office	20%	
Warehouse	20%	
Individual	0	
Total		

Provincial economic development officials can provide specifics on particular areas of their province. As well, they can provide listings of the kinds of properties that may be of interest.
Source: Colliers International, Halifax

Telecommunications

Canada is recognized throughout the world as a leader in the development and deployment of telecommunications. This has come out of necessity, because of Canada's large geographic size (the second largest country in the world) and dispersed population (+30 million).

Pricing of telecommunications services in Canada is very competitive with that of other countries with similar highly developed telecommunications infrastructure.

Leading providers in Canada include *Bell*, *Telus*, *AT&T Canada*, *Sprint Canada* and *Aliant*, each of which provides voice, data, Internet and wireless services.

Regulations
Telecommunications in Canada is regulated by the federal government, specifically by the Canadian Radio Television and Telecommunications Commission (CRTC) whose mandate is to ensure that Canadians have reliable telephone and other telecommunications services at affordable prices.

Recent years have seen gradual deregulation of the industry, which has created a much more competitive environment. The major impact of deregulation to the consumer has been a significant reduction in long distance telephone rates.

Telecommunications providers in the Atlantic Provinces deploy a full range of services including voice and data, local, long distance, wireless and satellite services. The dominant carrier in the Atlantic Provinces is Aliant Telecom, a subsidiary of Bell Canada. AT&T Canada and Sprint Canada are also important carriers in this region.

Long distance services, originating or terminating with major U.S. carriers, are seamlessly integrated with Atlantic area carriers on digital, redundant, diverse, self-healing and sonnet fibre rings.

Approximately 90% of the most populated areas in Atlantic Canada have digital cellular service. Analogue towers provide service in the more remote, less populated areas.

Projects such as the Community Data Network in Fredericton, New Brunswick and fibre net in Summerside, Prince Edward Island, offer low cost, high capacity and very high-speed data communications capability to the businesses and citizens of those communities. Eastlink Cable of Nova Scotia was the first company in Canada to provide competition in the local telecom environment.

At the end of 2001, broadband service was available more than 60% of homes and businesses in Atlantic Canada. Canada's broadband penetration rate is double that of the United States.

Transportation – Infrastructure

Atlantic Canada has a well-developed air, sea, road and rail and natural gas infrastructure.

Air
Atlantic Canada has a highly developed air transportation system that includes seven major airports. They are Gander, St. John's, Charlottetown, Fredericton, Moncton, Saint John and Halifax, with Halifax being the largest.

Sea
Atlantic Canada is a maritime region on the Atlantic Ocean that handles many goods shipped in and through Canada. The three major ports in Atlantic Canada are Halifax, Saint John and St. John's. The Port of Halifax is the third-busiest port in Canada.

Despite the cold climate in winter, Atlantic Canadian ports are open year round. Modern container facilities at these major ports ensure rapid movement of goods throughout North America and Europe.

Road
Atlantic Canada is crisscrossed with an extensive highway system. Major cities are connected by modern highways. The road network connects with the United States at two major border-crossing points. A four lane corridor extends from I-95 to Halifax, Nova Scotia. Increased truck traffic generated by the growth in Canada/U.S. trade and just-in-time manufacturing have placed added demands on the road system and focuses greater attention on road safety, including the quality of infrastructure. As a result, Atlantic Canada invests a large amount of money on road maintenance and upgrades.

Increasingly, infrastructure upgrades are the result of public private partnerships that make the most of private sector technological and operational expertise. A case in point is the 7.8 mile Confederation Bridge spanning the Northumberland Strait between the provinces of Prince Edward Island and New Brunswick.

Rail
Railways are the backbone of Canada's transportation system, providing an economical method of moving containers and bulk commodities over great distances. Canadian railways move approximately 270 million tonnes of freight annually.

Atlantic Canada's rail industry is dominated by Canadian National Railways (CN) and regional short lines with links into the United States. Along with excellent intermodal connections, the lines have extensive alliances with their U.S. counterparts.

The advent of the North American Free Trade Agreement (NAFTA) has made the integration of north-south transportation linkages extremely important to all Canadians. Approximately one billion dollars of trade crosses the Canada/U.S. border every day.

Seamless Intermodal Services
An efficient and reliable transportation system includes the smooth transition of goods between transportation modes. In Atlantic Canada, intermodal transport services offer fast and efficient delivery to a large number of destinations. Investment in infrastructure and advancements in technology by all modes of transportation have taken intermodal service in Canada to a new level.

Pipelines
National gas pipelines and laterals are in place.

Transportation – How to Get Here

By air, Atlantic Canada is accessed directly from Newark, New York; Boston, Massachusetts; and London, England. Our major cities can be reached by direct flights from Hamilton, Toronto, Ottawa, and Montreal.

Halifax, Nova Scotia, has the largest and best served airport in the region.

Atlantic Canada is served by Air Canada, Tango, (a low-cost version and separate arm of Air Canada) WestJet, CanJet and Pan Am. As well, Jazz, (formerly Air Canada regional carrier Air Nova) is a regional carrier. United and Continental also serve Halifax, Nova Scotia, from Boston and Newark.

From Bangor, Maine, a two-hour drive from the border, non-stop service to Boston, New York, Philadelphia, Baltimore and Washington is provided by Delta, American, USAir and PanAm airlines.

By road, I-95 terminates at the international border near Houlton, Maine, and is met at this point by the Trans-Canada Highway, a major highway running from coast to coast across Canada.

Another road route from Bangor, Maine terminates at St. Stephen, New Brunswick, which is a short drive from Saint John, New Brunswick's largest city.

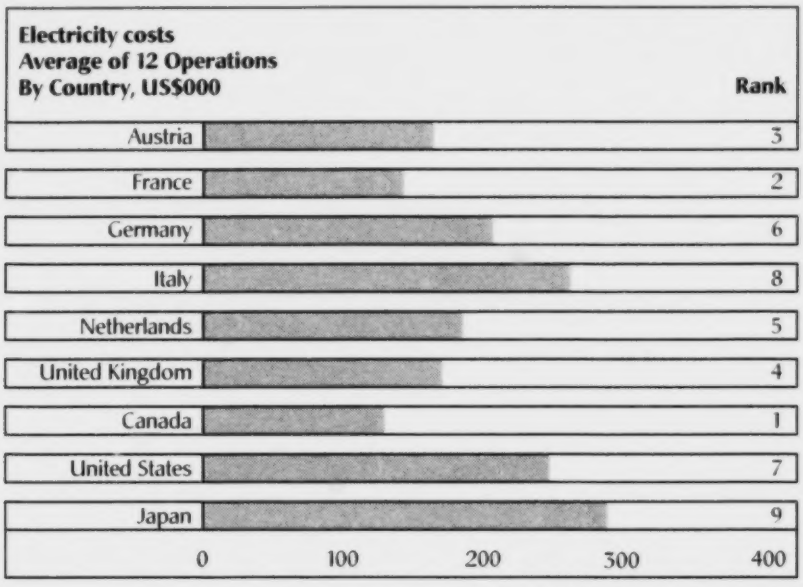
Electricity

Electricity in Atlantic Canada is plentiful, reliable and inexpensive. The majority of electricity is produced through diverse generating systems including hydro, coal, nuclear, oil, Orimulsion, diesel and wind powered facilities.

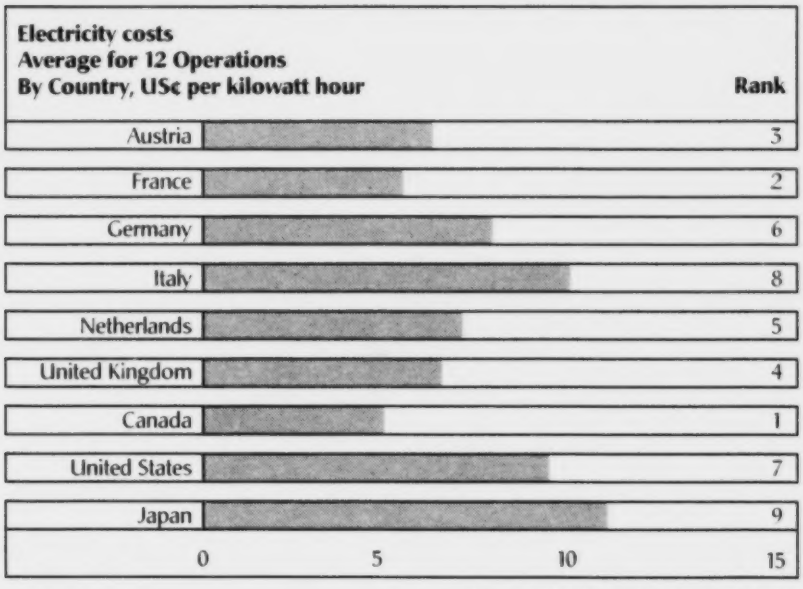
Privatization and deregulation are bringing choices to Canadian companies and Atlantic Canadian companies. In Atlantic Canada there are currently five electric power companies. One, Nova Scotia Power, is privately owned while the others are public utilities.

Power supply is reliable in Atlantic Canada. Brown outs or black outs seldom occur. Dependable power is one reason that many U.S. firms have placed large customer contact centres in Atlantic Canada.

Power is also inexpensive as evidenced by KPMG's 2002 Competitive Alternatives study. This review compared business costs in North America, Europe and Japan. It concentrated on 12 operations, 7 in manufacturing, 2 in research and development, 2 in software services and 1 in corporate services. Following are the results by country using the average for the 12 operations. The 12 operations have an average demand load of 831 kilovolt – amperes (KVA), and consumption of 222,100 kilowatt hours (KWH) per month. The full study is available at www.competitivealternatives.com.



Source KPMG Competitive Alternatives 2002



Source KPMG Competitive Alternatives 2002

Natural Gas

Natural gas is available in the provinces of Nova Scotia and New Brunswick.

In 2000, a major new natural gas supply basin off Nova Scotia's coast was brought to market. The 650-mile natural gas main line transports up to 530,000 MMBtu/day of natural gas to markets in Atlantic Canada as well as New England.

The producer of the gas is Sable Offshore Energy, Inc. (SOEI) which is owned by Mobil Resources, Shell Canada, Imperial Oil, Emera Inc., Pengrowth Energy Trust, PanCanadian and Mosbacher Limited.

The distributors are Enbridge Gas New Brunswick and Sempra Atlantic in Nova Scotia.

Major Employers

Nova Scotia

Number of Employees 5,000+	2,500 – 4,999	1,000 – 2,499	500 – 999
Government of Canada	MTT (an Aliant Company)	Halifax Shipyards	Bowater Mersey Paper Company
		Convergys Corporation	Air Nova
Government of Nova Scotia	Michelin Tire Company	IMP Group	Maritime Life Assurance Company
	Dalhousie University	Stream International	Saint Mary's University
	Atlantic Wholesalers	EDS Corporation	Saint Francis Xavier University
		Sobeys Stores Ltd.	Clearwater Fine Foods Ltd.
		Nova Scotia Power Inc.	Dexter Construction
		Trenton Works	Nova Scotia Agricultural College
		Royal Bank	Nova Scotia Community College
		Scotiabank	Canadian Imperial Bank of Commerce
		QEII Health Sciences Centre	Acadia University

New Brunswick

Number of Employees 5,000 +	2,500 – 4,999	1,000 – 2,499	500 – 999
Government of Canada		United Parcel Services	Xerox Canada Ltd (Customer
		RMH Teleservices	Contact Center)
Government of New Brunswick		McCain Foods	Minacs Worldwide
		UPM – Kymmene	ICT Canada
		Miramichi Inc.	Royal Direct Call Centre
			Cendant Canada
			Hub Meat Packers
			Connor's Brothers

Prince Edward Island

Number of Employees 5000+	2,500 – 4,999	1,000 – 2,499	500 – 999
		Province of Prince	University of Prince
		Edward Island	Edward Island
		Government of Canada	Cavendish Farms
		Queen Elizabeth Hospital	Watts

Climate

Nova Scotia

Nova Scotia owes its climate to the sea since it is surrounded by bodies of water with varying temperatures. In spring and summer these waters help keep the air temperature on the cool side, and in January these same waters moderate the harshness of winter. The warm waters of the Gulf Stream are credited with prolonging the fall season from August through October, the season many Nova Scotians consider to be the best of the year.

Province		Average Temperature	Average Snowfall	Average Rainfall
Nova Scotia				
Spring	Mar – May			
Summer	Jun – Aug	75° F		53 inches
Fall	Sept – Nov			
Winter	Dec – Feb	37° F	91 inches	

New Brunswick

New Brunswick has a typically continental flavour to its climate and, when considering temperatures, it is a province of contrasts. It has some of the sunniest places in Atlantic Canada. July is the warmest month in New Brunswick and January is the coldest. In the summer, the predominant air mass is warm, with occasional brief hot, humid periods. Coastal locations experience moist Atlantic air most of the year and produce mild periods during the winter and cool weather the rest of the year. Spring and early summer are notably dry throughout New Brunswick, but there is ample water during the growing season.

Province		Average Temperature	Average Snowfall	Average Rainfall
New Brunswick				
Spring	Mar - May			
Summer	Jun - Aug	76° F		43 inches
Fall	Sept - Nov			
Winter	Dec - Feb	-5° F	137 inches	

Prince Edward Island

Prince Edward Island is influenced by its surrounding bodies of water and as a result, the onset of the seasons is delayed several weeks. Winters are milder than in most parts of Canada, while spring is late and cool. Summer is breezy and fall is the most pleasant of all seasons. Prince Edward Island is affected by a mishmash of weather systems. In summer, the Island is visited by continental air masses. The influence of moist Atlantic air often produces warm periods during the winter and pleasantly cool weather during the summer.

Province		Average Temperature	Average Snowfall	Average Rainfall
Prince Edward Island				
Spring	Mar – May			
Summer	Jun – Aug	76° F		39 inches
Fall	Sept – Nov			
Winter	Dec – Feb	5° F	129 inches	

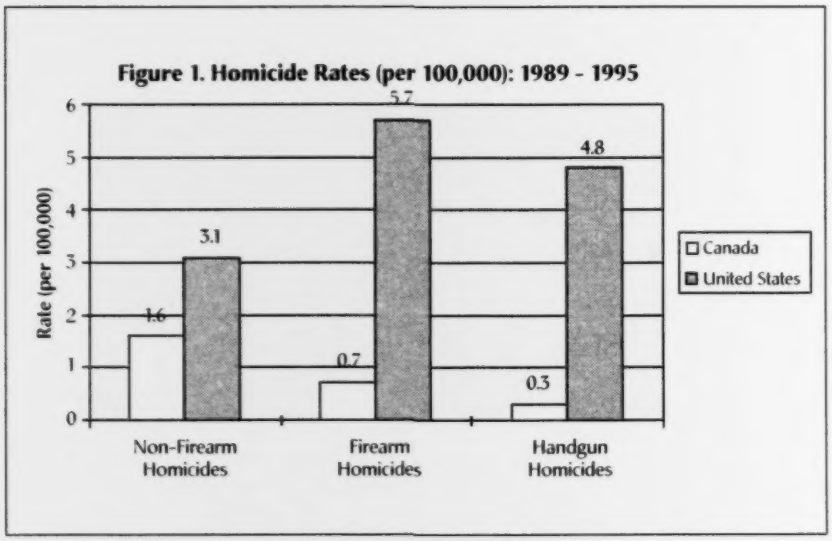
Newfoundland and Labrador

Newfoundland and Labrador is home to a variety of climates and weather. This is evident in all seasons, but especially in spring and summer, which are relatively cool. The open sea keeps winter air temperatures a little higher and summer temperatures slightly lower along the coast than at places inland.

Province		Average Temperature	Average Snowfall	Average Rainfall
Newfoundland and Labrador				
Spring	Mar – May			
Summer	Jun – Aug	73° F		39 inches
Fall	Sept – Nov			
Winter	Dec – Feb	17° F	118 inches	

Crime/Security

Canada and Atlantic Canada offer a safe environment.



Here are some facts respecting firearms:

- There are 30 times more firearms in the U.S. than in Canada
- A much higher proportion of homicides in the U.S. involve firearms
- Firearm homicide rates are 8.1 times higher in the U.S. than in Canada (per 100,000 population)
- Handgun homicide rates are 15.3 times higher in the U.S. than in Canada (per 100,000 population)
- Rates for non-firearm homicides are nearly 2 times higher in the U.S. than in Canada (per 100,000 population)
- Between 1987 and 1996, firearm homicide rates increased in the U.S. but decreased in Canada
- A greater proportion of robberies in the U.S. involve firearms
- Firearm robbery rates are 3.5 times higher in the U.S. than in Canada
- Rates for all robberies are 2.4 times higher in the U.S. than in Canada

Atlantic Canada's 2.3 million population is quite distributed.

Atlantic Canada is well policed. The Royal Canadian Mounted Police, the Royal Newfoundland Constabulary and municipal police forces do an excellent job of protecting citizens and businesses.

Border entry points in Nova Scotia, Newfoundland and Labrador and New Brunswick are well staffed with qualified, vigilant and competent customs and immigration officials. Borders are secure but open for business. Commerce flows freely across the border between Atlantic Canada and the New England states. Border crossing wait times are negligible.

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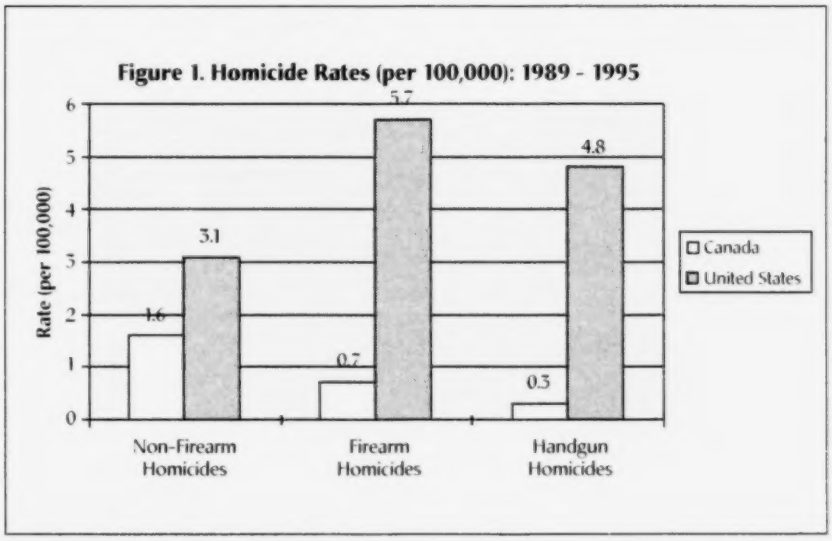

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Courier/Small Packages

Courier Service By Province	New Brunswick	Newfoundland and Labrador	Nova Scotia	Prince Edward Island
FedEx				
- Pick-up time	4:00	3:00	3:30	4:30
- Same day service	no	no	no	no
- Next day service	yes	yes	yes	yes
- International service**	yes	yes	yes	yes
Purolator				
- Pick-up time	4:00	4:00	4:00	4:00
- Same day service	no	no	no	no
- Next day service	yes	yes	yes	yes
- International service**	yes	yes	yes	yes
Same Day				
- Pick-up time*	4:00	4:00	4:00	4:00
- Same day service	no	no	no	no
- Next day service	yes	yes	yes	yes
- International service**	yes	yes	yes	yes
UPS				
- Pick-up time	4:00	4:00	4:00	4:00
- Same day service	no	no	no	no
- Next day service	yes	yes	yes	yes
- International service**	yes	yes	yes	yes
DHL International Express				
- Pick-up time	4:00	4:00	4:00	4:00
- Same day service	no	no	no	no
- Next day service	yes	yes	yes	yes
- International service**	yes	yes	yes	yes
Priority Courier – Canada Post				
- Pick-up time	3:00	3:00	3:00	3:00
- Same day service	not since Sept 11th	not since Sept 11th	not since Sept 11th	not since Sept 11th
- Next day service	yes	yes	yes	yes
- International service**	Use DHL	Use DHL	Use DHL	Use DHL

*In remote areas, the pick-up time could be as early as noon

** International service – The service offers two business days delivery provided there are no custom delays, missed connecting flights, remote location destinations or other flight related difficulties

How Business Works

Business in Atlantic Canada is conducted in a fashion similar to that in any other democratic society, with the exception being that most of the local businesses are privately owned and operated by entrepreneurs.

The cornerstone businesses of the region are exporting entities, with the U.S. being the major customer. Traditionally, ties between Atlantic Canada and the New England states have been extremely strong. With the advent of the North American Free Trade Agreement (NAFTA), these ties were re-established to the benefit of Atlantic Canada.

Costs of Doing Business

Cities in Atlantic Canada have significant cost advantages over cities in other G7 countries, according to the world's most comprehensive comparison of business costs, KPMG's *Competitive Alternatives* study.

The 2002 study, used by site selectors around the world to target cost advantages in favourable research and development (R&D) and production locations, was released in New York by KPMG, the prestigious international business consultants.

For the third consecutive edition of KPMG's *Competitive Alternatives* study - covering the G7 countries, Austria and the Netherlands - Canada won top honours. Compared to a benchmark group of U.S. cities, comparable Canadian cities had after-tax cost savings averaging 14.5%. ***For the Atlantic Canada cities featured in the study (Halifax, Nova Scotia, and Moncton, New Brunswick), the savings were even higher, averaging 16.2% in comparison to the benchmark U.S. cities.***

Business costs in Halifax, Nova Scotia, and Moncton, New Brunswick, ranked third and fourth lowest of the entire 86 cities surveyed in the main part of the study.

The KPMG study also evaluated costs in six other Atlantic Canada cities:

- Truro, Nova Scotia
- Charlottetown, Prince Edward Island
- Fredericton, New Brunswick
- Saint John, New Brunswick
- St. John's, Newfoundland and Labrador
- Sydney, Nova Scotia

All of these cities have very competitive business cost structures similar to Halifax and Moncton, and offer similar cost savings over U.S. jurisdictions.

KPMG developed an interactive Web site for the study (www.competitivealternatives.com), which allows investors to make their own ***customized cost comparisons*** utilizing the 30,000 data points on which the study is based. KPMG scrutinized 12 manufacturing, R&D, software and corporate services sectors in a variety of cost categories. The potential bottom line savings revealed in the KPMG report can be substantial.

Eight Centres That Make Atlantic Canada North America's Cost-Efficient Location*

* Percentages in front of each city indicate advantage over average US business costs

18.4% Truro, Nova Scotia
Population – 44,000
Diversified industrial base in textiles, plastics, building products, consumer products, distribution, agriculture and forestry services, as well as post secondary education. Emerging enterprises include health care, commercial/corporate services and assorted light manufacturing. Overall average cost shows Truro as 7th lowest of 115 centres studied, including lowest cost ranking in corporate services and electronic systems testing. Also notable are pharmaceuticals and specialty chemicals (tied 2nd best), as well as precision components and electronics assembly (both 4th best). Major employers include *Intertape Polymer* (plastic film/sheeting), *Stanfield's* (apparel manufacturer) and *Crossley Carpet Mills* (carpet/mats/rugs).

17.3% Charlottetown, Prince Edward Island
Population – 58,000
Capital of Prince Edward Island - has specialized in agri-food products, life sciences, information technology and the manufacture of specialty equipment. Scored the lowest KPMG cost index in electronics assembly (83.2) and manufacture of precision components (79.1). Aerospace exports from nearby Summerside now account for 20% of Prince Edward Island's exports. Charlottetown has developed significant R&D and production capacity in the nutraceuticals and animal health sectors. Some top Charlottetown firms are: *Diagnostic Chemicals* (chemicals/plastics), *Watts Communications* (call centre), *Biovectra* (nutraceuticals) and *D.M.E.* (precision manufacturer for the food and beverage sector).

16.1% Halifax, Nova Scotia
Population – 359,000
Capital of Nova Scotia – adding to its traditional strengths in aerospace, health/education and high tech with strong growth in biotechnology, corporate support services and software design and development. The region's largest hub for life sciences and site of National Research Council's (NRC) Institute for Marine Biosciences. Stood first among the 86 major international centres surveyed in the main part of the KPMG report for both biomedical R&D (66.3) and electronic systems testing (60.4). Conducting these two activities in Halifax rather than the average American city means savings of more than one-third of costs. Some top firms already in place: *Aliant/MIT* (telecom equipment/services), *MedMira* (biotechnology), *Convergys Customer Management Centre* (shared services, call centres).

15.8% Fredericton, New Brunswick
Population – 81,000
Capital of New Brunswick, home of the NRC's new Institute for e-Business Technology, located on the campus of the University of New Brunswick. The city is moving away from dependence on agriculture, equipment/machinery manufacturing and forestry/wood products, with a greater focus on engineering/environmental technologies, information/communications technologies and media. Some new corporate citizens: *Learnstream* (Canada's New Media Company of the Year in 2001) is the largest computer-based training company in Canada, *Smartforce* (from Ireland) has established a large presence for online mentoring and instruction, *CGI's* Fredericton operations won the firm's world e-government mandate.

15.7% St. John's, Newfoundland and Labrador
Population – 173,000
Capital of Newfoundland and Labrador – growth industries include petroleum, tourism and advanced technology (engineering, environmental, information, communications and marine). Recently joined the World Energy Cities Partnership, major service hub for local petroleum industry, with two significant offshore oilfields now in production, Hibernia and Terra Nova. Some major firms: *xwave* (full service IT solutions), *Convergys Corporation* (shared services/call centre,) and *CHC Helicopter Corporation* (international helicopter transportation services). Home to world class research facilities, including the Canadian Centre for Marine Communications, NRC's Institute for Marine Dynamics and C-CORE, which develops innovative technologies for natural resource industries.

15.7% Saint John, New Brunswick
Population – 123,000
Has always been strong in shipbuilding, metal manufacturing and pulp and paper products, now expanding into specialty chemicals/plastics, information/communications technology and petrochemicals. Innovatia Inc., headquartered in Saint John, has a major contract with Nortel Networks to do all the software training and documentation for its digital switching board hardware products. Leading firms: *Irving Oil* (largest petrochemical refinery in Canada) and *Xerox* (commercial/business services). The University of New Brunswick in Saint John's Electronic Commerce Centre develops research projects in partnership with the public, private and academic communities.

15.5% Sydney, Nova Scotia
Population – 106,000
Traditional strengths in health/education, tourism and business/personal services, moving into engineering/environmental technologies, information/communications technologies and shared services/call centres. Home to Nova Scotia's second largest concentration of information technology companies. Businesses already established: *EDS Canada Inc.* (shared services/call centres), *Precision Fine Blank Components/Magna* (automotive).

15.4% Moncton, New Brunswick
Population – 118,000
Moving beyond its traditional strengths in metal manufacturing, telecom equipment/services and transportation services into high tech manufacturing, information/communications technology and shared services/call centres. Strong bilingual capacity (French and English). Largest regional air freight carrier in Atlantic Canada. Sixth overall among 86 major international centres surveyed by KPMG in the biomedical Research & Development (69.3) and electronic systems testing (64.3) categories. Some leading firms: *Atlantic Blue Cross Care* (insurance/financial services), *Royal Direct/Royal Bank of Canada* (shared services/call centres), *Rogers Communications* (telecom).

*** Business Cost Index Ratings (U.S. = 100.0)**

Industry	Atlantic Canada	Canada	U.S.	Austria	France	Germany	Italy	Netherlands	U.K.	Japan
Manufacturing										
Metal Components	88.9	88.9	100.0	91.1	91.3	101.3	87.4	89.0	86.6	122.0
Plastic Products	90.5	89.0	100.0	90.9	91.1	100.4	87.9	87.9	86.4	121.7
Food Processing	93.5	92.5	100.0	93.4	94.4	99.5	91.3	92.1	90.9	109.6
Electronics Assembly	86.7	89.4	100.0	95.7	95.5	105.9	91.1	95.0	91.1	121.6
Precision Components	82.7	86.0	100.0	91.2	89.8	102.7	83.9	87.5	83.9	117.5
Pharmaceuticals	89.1	90.9	100.0	95.4	95.3	103.2	91.9	94.4	90.7	115.0
Specialty Chemicals	87.2	89.6	100.0	95.2	95.5	103.2	92.6	95.3	92.4	111.4
Research & Development										
Biomedical R&D	66.8	72.2	100.0	84.1	82.0	97.8	80.4	82.0	78.7	124.5
Electrical System Testing	61.3	66.9	100.0	81.4	75.2	88.8	74.3	74.8	71.0	114.3
Software										
Advanced Software	77.1	77.8	100.0	93.9	91.5	99.6	89.1	90.1	82.0	108.8
Content Development	75.8	77.6	100.0	96.6	87.1	97.1	85.4	87.6	80.7	115.6
Corporate Services										
Shared Services	73.9	80.3	100.0	111.8	104.2	123.4	91.6	100.9	90.0	154.2
Overall Average	83.8	85.5	100.0	93.7	92.2	101.9	88.6	90.8	86.9	117.8

• Totals in the Atlantic Canada column represent an eight-city average.

*KPMG Competitive Alternatives G7-2002 Edition

This chart compares the results of Atlantic Canada to the nine countries surveyed for each of the major location sensitive cost components

Detailed Calculations by Cost Component*
(Twelve-Industry Average, US$000)

Initial Investment Costs	Atlantic Canada	Canada	U.S.	Austria	France	Germany	Italy	Netherlands	U.K.	Japan
Land	179	624	589	2,979	450	1,809	927	1,431	1,168	10,255
Buildings	1,439	1,444	1,768	1,955	1,673	2,431	1,156	1,506	2,206	6,016
Location Sensitive Costs										
Labour and Benefits	3,575	3,994	5,828	5,292	5,159	6,510	4,374	5,084	4,307	7,318
Lease Costs	177	194	307	118	128	173	114	160	239	522
Road Freight	471	325	393	127	228	161	166	116	165	283
Air Freight	18	18	16	15	15	13	14	11	16	27
Sea Freight	83	56	112	62	70	41	45	39	49	108
Electricity	126	132	194	151	142	160	241	155	153	343
Natural Gas	75	67	104	81	59	90	79	67	61	152
Telecommunications	51	49	49	87	40	28	81	46	52	138
Depreciation	687	687	709	721	702	753	668	691	738	992
Interest	-128	-93	99	84	-31	177	-73	-11	-102	319
Property Taxes	58	92	88	6	119	65	n.a	7	147	434
Capital	37	35	4	6	n.a	n.a	n.a	3	n.a	8
Sales Taxes	21	50	104	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Local Business Taxes	9	12	n.a	108	5	n.a	99	8	n.a	32
Gross Receipts Tax	n.a	n.a	1	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Income Taxes	1,018	893	448	754	767	536	1,114	848	876	166
(Effective Tax Rate)	31.1%	29.4%	35.6%	34.0%	32.9%	46.9%	37.4%	33.0%	29.6%	-23.1%
Total Location Sensitive Costs	6,278	6,510	8,453	7,613	7,404	8,704	6,921	7,222	6,701	10,840

*KPMG Competitive Alternatives G7-2002 Edition

Types of Business Organizations

Various types of entities are used for the conduct of business in Canada and Atlantic Canada, such as:

- Corporations
- Unlimited Liability Corporations
- Branch of Foreign Corporations
- Sole Proprietorships
- General Partnerships
- Limited Liability Partnerships (LLPs)
- Limited Partnerships
- Co-tenancies and Joint Ventures
- Agency, Distribution and Franchise Agreements

Canadian Corporations
Most businesses in Canada are carried on by corporations with share capital. Canadian corporations can either be private corporations or public corporations.

Corporations may be incorporated and organized under either the federal Canada Business Corporations Act (the CBCA) or the equivalent legislation of each of the provinces. Incorporation and organization under the CBCA does not automatically give rise to a right to carry on business in each province. A federal corporation must register in each province in which it proposes to carry out business. Similarly, a provincial corporation may conduct business in another province, provided an extra-provincial licence is obtained. For certain highly regulated business undertakings such as insurance companies, banks and trust companies, specific statutes set incorporation, organization and operational standards.

When consulted by a foreign company wishing to carry out business in Canada through a Canadian subsidiary, a lawyer will compare the features of the CBCA and the provincial statute of the province in which the head office of the subsidiary will be located, in order to determine the preferred corporate statute under which to incorporate and organize. Although the statutes are substantially similar, there are slight differences in the areas of public disclosure of financial statements and residency requirements for directors, which may affect the choice of incorporating jurisdictions.

There are other factors that may tip the scales in deciding whether or not the federal jurisdiction or the provincial jurisdiction should be utilized for incorporation. For example, certain financing incentives provided by one level of government may dictate incorporation within that jurisdiction. There is also a perception that certain businesses that supply goods or services to a particular province should strongly identify with that province, making it advisable to incorporate within that jurisdiction.

Branch of Foreign Corporation
Often, foreign investors wish to conduct Canadian operations as a branch of a foreign corporation or U.S. subsidiary. Foreign corporations are generally entitled to carry out business in this manner in most areas of commercial activity, provided that extra-provincial licences are obtained in the jurisdictions in which they carry out business. Once again, the decision to use a Canadian branch operation is dependent upon a number of considerations. Incorporation often makes it easier for small and medium-sized businesses to deal with Canadian suppliers and customers. It is often assumed that choosing a Canadian corporation demonstrates a commitment to Canadian operations. Such assumption has no foundation in law. If independent financing for the Canadian operation is required, local financing may be easier to obtain through the use of a Canadian-owned subsidiary. However, the failure to create a separate corporate entity will expose the foreign corporation to all liabilities incurred in the Canadian operations.

The tax treatment for branch operations is discussed elsewhere in this paper. Income tax must be paid in Canada on Canadian branch profits. The ability to claim a full foreign tax credit by the parent corporation must be considered to ensure that double taxation is avoided. Accordingly, the taxation of the foreign corporation and the projected income or losses, which will be incurred by Canadian operations, are important (and usually determinative) factors to be considered.

Information relative to the other types of business entities listed can be obtained through the services of legal counsel or chartered accountants/consulting firms. The most common entities utilized by foreign corporations doing business in Canada are: (1) Canadian incorporated subsidiaries and (2) branch operations of foreign corporations.

Financial System

There are approximately 3,000 organizations providing financial services in Canada. In addition to banks, they include insurance companies, credit unions and Caisses Populaires, finance and leasing companies, trust companies, mutual funds, pension funds and investment dealers.

Regulations
The *Bank Act* (federal) sets out what banks can and cannot do. Recent revisions to the Bank Act permit banks to own securities companies, trust companies, insurance companies and lending institutions. Certain restrictions prevent services such as auto leasing financing or the sale of insurance products through a bank's branches.

New federal legislation (1999) allows foreign banks operating in Canada to set up either full-service branches or lending branches, whereas they previously had to establish separate Canadian subsidiaries.

With the advent of the Internet and new technology, some banks are establishing themselves without the need to create a physical presence in the form of branches.

Greater use of Automatic Banking Machines (ABMs), telephone and Internet banking, significantly reduces reliance on traditional bank branches for doing a variety of transactions.

The Office of the Superintendent of Financial Institutions (OSFI) monitors the operations of banks (domestic and foreign), trust companies, loan companies, cooperative credit associations, insurance companies and private pension plans to ensure their ongoing viability. Provincial regulators and self-regulatory bodies, such as stock exchanges and the Investment Dealers Association (IDA) oversee the activities of securities, insurance and trust companies.

Financial institutions including banks, trust companies, insurance companies, loan companies and credit unions are located in each of the Atlantic provinces.

Canada's five largest banks (Royal Bank, CIBC, Bank of Montreal, Scotiabank and TD Canada Trust) are well represented throughout the Atlantic provinces and have a presence in all urban areas. One or more of the five have branches in most towns and villages in the region.

ABMs can be found in many office buildings, shopping malls, retail outlets, service stations, restaurants and university/college campuses throughout Atlantic Canada.

Major credit cards accepted throughout the region include VISA, Mastercard and AMEX.

Legal System/Law Firms

Canada's Legal System

Canada is a young country, but it has a legal system rich in tradition. Common law, which is used in the Atlantic provinces, is based on principles that were developed in medieval England.

These traditions form the basis of Atlantic Canada's legal heritage. Over time, they have been adapted to meet Canadian needs. The courts interpret the law in a way that reflects changing conditions and circumstances.

The Canadian Constitution

Canada's Constitution is the supreme law of the country and it establishes the framework for the system of law and justice. It sets out the basic rights of individuals in Canada and defines the nature and powers of the federal and provincial governments.

The System of Government

Under Canada's federal system of government, the authority to make laws is divided between the Parliament of Canada and the provincial legislatures.

The federal Parliament deals with matters that affect all of Canada, such as interprovincial trade and commerce, national defence and criminal law. As well, the federal government has responsibility for Aboriginal peoples and lands reserved for Aboriginals.

The provincial legislatures have the authority to make laws in such areas as education, property rights, the administration of justice, hospitals, municipalities and other local or private matters. In addition, the provinces may create local or municipal governments that can deal with matters such as parking regulations or local building standards.

Legal Advice

The legal profession is regulated by the provincial and territorial law societies, which determine standards for admission to practice in each province and territory.

All provinces and territories operate publicly funded legal aid programs, providing legal advice at little or no cost to persons of limited means. The specific requirements for using these programs differ from province to province, but in each case their purpose is the same: to ensure that everyone has access to proper legal representation when necessary, regardless of financial circumstances. Many quality law firms are available in the region to assist any international business considering locating here.

Accounting System

Accounting standards in Canada are established by the Canadian Institute of Chartered Accountants (CICA).

All the major international accounting firms operate in Canada, including Deloitte Touche, KPMG, Ernst & Young, PricewaterhouseCoopers and Grant Thornton LLP. Other accounting firms also operate in Canada.

The CICA works with international accounting groups such as the International Federation of Accountants and the International Accounting Standards Board to facilitate the development of international accounting standards.

Canadian 'Generally Accepted Accounting Principals' (GAAP) are used by Canadian companies in the preparation of financial statements. Similarly, the major chartered accounting firms use Canadian 'Generally Accepted Auditing Standards' (GAAS) in performing audits.

While differences in GAAP do exist from country to country, the United States, Canada and the United Kingdom have similar standards. Comparisons between individual national standards and International Accounting Standards can be found on the International Federation of Accountants Web site at www.ifad.net.

Taxation

Similar to the United States, which has a federal level of income taxation as well as different income tax legislation in all 50 states, Canada has income tax imposed by the federal government and the individual provincial governments. However, in Canada, municipalities, counties and school districts do not impose income taxes.

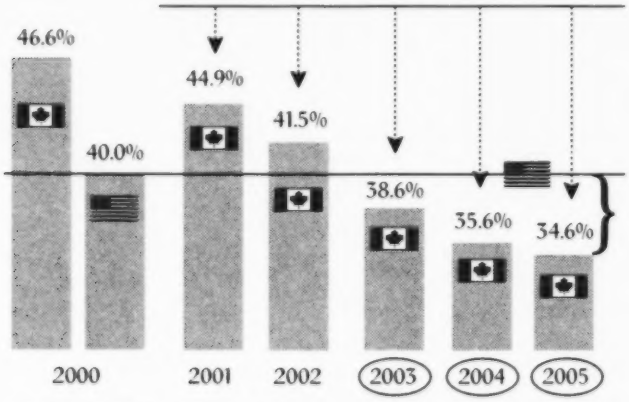
The Atlantic provinces use the federal legislation as a determination of taxable income, therefore, income tax calculations are generally ***a simpler process than in the U.S.***. The process is further simplified by the fact that the federal government administers and collects income and capital taxes on behalf of the Atlantic provinces, therefore, only one income tax return is filed that covers both federal and provincial taxing jurisdictions. Taxable income is allocated among the provinces in which a corporation has a permanent establishment based on a factoring of sales and wages.

The corporate income tax rates distinguish between active business income and passive investment income. Only 50% of capital gains earned by a corporation are included in taxable income. There are preferential rates for manufacturing and processing operations as well as corporations controlled by Canadians. Public corporations are taxed differently than private corporations in some respects. Corporations in the resource industry may also have different tax considerations. Certain provinces, such as Newfoundland and Labrador (10 years) and Nova Scotia (3 years) have tax 'holidays' for certain new corporations. An example of the general corporate tax rates is shown the attached schedule. There are also examples of selected rates for certain European countries.

The federal government, as well as the governments of New Brunswick and Nova Scotia, have capital taxes that apply to larger corporations. The federal capital tax is based generally on the corporation's capital stock, retained earnings and debt in excess of $10,000,000 and applies at a rate of .225%. The provincial base for capital tax is similar to the federal tax base but these provincial capital taxes apply once the taxable capital of the corporation exceeds $5,000,000. The Nova Scotia and New Brunswick capital taxes are deductible in determining federal and provincial taxable income.

Corporate tax rates, much to the surprise of many investors, compete favourably with the United States.

Corporate Income Tax Rates
including capital tax equivalents



Source: Finance Canada, December 2001

A review of corporate tax rates alone will not give a full comparison of the total tax burdens in different locations. You must also review other types of taxes as well as tax related inducements such as credits for Scientific Research and Experimental Development and investment tax credits.

In Canada, the federal sales and use tax is the Goods and Service Tax (GST). The GST is a value-added tax that is generally collected and remitted at 7% on almost all sales of goods and services in Canada. The GST is similar to the VAT system in Europe. To the extent that the purchaser of these goods and services uses them in a commercial activity, the GST that is paid on their expenditures (including capital items) will be credited to them. Therefore, for most businesses in Canada, the ***GST is a flow-through item and not a cost of doing business***. However, this tax should be monitored and planned for as it relates to cash flow and certain exemptions.

Nova Scotia, New Brunswick and Newfoundland and Labrador have harmonized their sales taxes with the federal GST and the two taxes are treated as one, Harmonized Sales Tax or HST, which is administered by the federal government. HST applies at a 15% rate, which includes the 7% GST and an 8% provincial component. The full 15% HST is treated as a value-added tax and both the federal and provincial components paid on expenditures will generally be credited to the business. Reporting and collection issues are much easier in these provinces. Prince Edward Island has a Provincial Sales Tax (PST) that is administered separately from GST or HST and the rate of 10% is based on cost plus GST. PEI's PST is not refundable, however, certain items purchased for resale will be exempt from the tax.

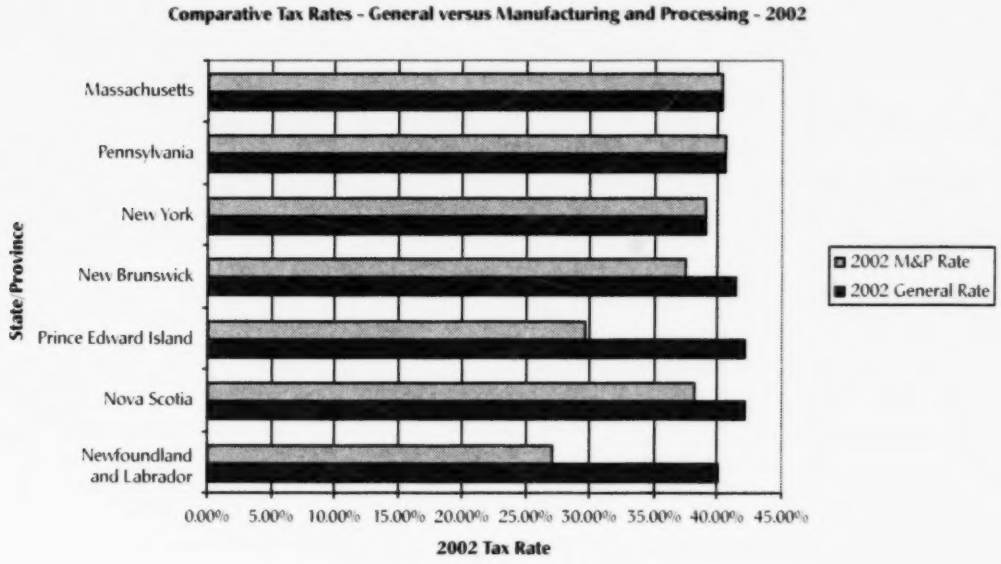
In Canada, payroll withholdings for income taxes (both federal and provincial), the Canada Pension Plan (CPP) and Employment Insurance (EI) are collected and administered by the federal government on behalf of all provinces except Quebec. The burden for these social security taxes is generally lower than in the United States. The employer contribution for CPP is 4.7% for wages between $3,500 and $39,100 in 2002. The employer contribution for EI is 3.08% of wages to an annual maximum contribution of $1,201.20.

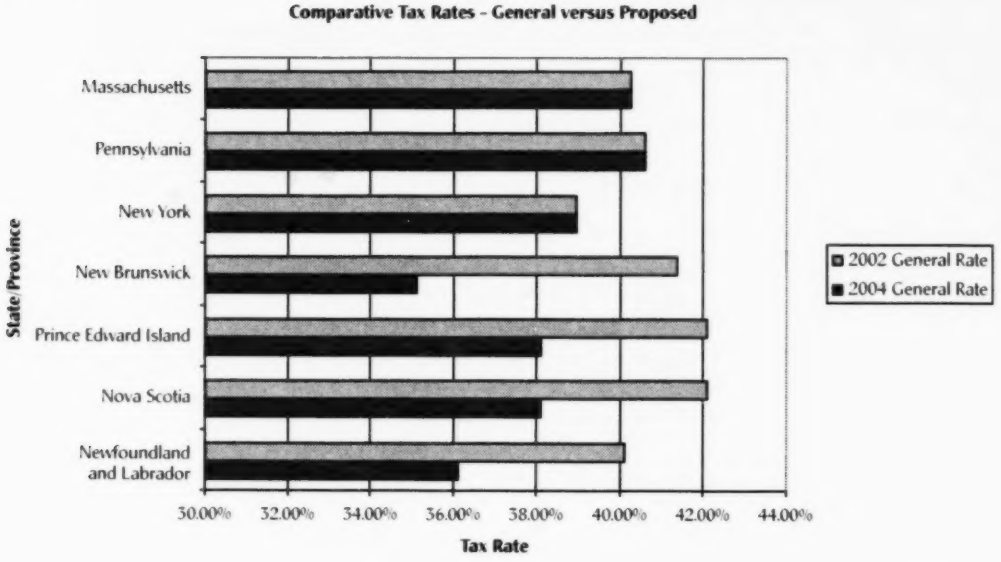
In Prince Edward Island, Nova Scotia and New Brunswick, there are no additional withholding requirements related to employees. Newfoundland and Labrador has a payroll tax that applies at a rate of 2% on taxable remuneration on excess of $500,000. Each province has some form of worker's compensation plan, which will require employer premiums to be paid on an annual basis. The rates for these plans vary by province and industry.

Property taxes are charged by the provinces and represent one charge for both provincial and municipal assessments.

When doing business in Canada, an operation can take the form of a branch, corporation, partnership or joint venture. Canadian operations can be a branch of a U.S. corporation or a separate Canadian corporation owned by a U.S. corporation. There are also hybrid entities such as the Nova Scotia Unlimited Liability Corporation, which is treated as a corporation for Canadian tax purposes but can be treated as a disregarded entity for U.S. purposes. Each of these entities will have different income and capital tax exposures and careful planning is required to minimize global taxes during the operation, upon repatriation of profits and when the Canadian operation is sold or dissolved at some date in the future.

The Canada U.S. Tax Convention will impact the taxation of U.S. corporations with activities in Canada. Structures and transactions should be planned to make maximum use of the elimination of double taxation and other tax advantages associated with this treaty.





As this graph indicates, corporate taxes in Atlantic Canada are scheduled to decline substantially over the next two years. At the proposed levels, the ***new corporate taxation rates will become a definite competitive advantage for Atlantic Canada***.

Labour Laws

Labour laws are balanced and protect both the employer and employee.

Atlantic Canada's four provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador are each responsible for their respective labour or employment standards.

For prospective investors and site location consultants, this section covers employment rules in respect of such things as minimum wage, overtime pay, vacation with pay, and sick leave.

Companies considering locating in Atlantic Canada should note that the respective provinces have departments that serve both the employer and employee.

There is also a minimum wage in each of the four provinces. The current minimum wage in Nova Scotia - $5.80 (US$3.79), New Brunswick - $6.00 (US$3.92), Prince Edward Island - $6.00 (US$3.92) and Newfoundland and Labrador - $5.75 (US$3.76). The average weekly wage in Atlantic Canada is US$378.

Respecting both ***non-exempt and exempt labour*** in Atlantic Canada, overtime is paid to all hourly staff. Generally, salaried employees may or may not receive overtime pay. Following is an overtime rate table by province:

Province	Hours Worked Over	Rate
Nova Scotia	48 / per week	1.5 times
New Brunswick	44 / per week	1.5 times
Prince Edward Island	48 / per week	1.5 times
Newfoundland and Labrador	40 / per week	no less than 1.5 times

Following is information relative to hours of work, statutory holidays and minimum wage *(Source - CANPAY Computer Software Ltd.)*:

Statutory Holidays

Statutory Holidays	2003
New Year's Day	Wednesday, January 1
Good Friday	Friday, April 18
Canada Day	Tuesday, July 1
Labour Day	Monday, September 1
Christmas Day	Thursday, December 25

In addition to the above federal statutory holidays, New Brunswick has a provincial statutory holiday called New Brunswick Day, which is celebrated on the first Monday in August.

Nova Scotia

Hours of Work

The type of employee excluded from this legislation are farm workers, domestics, etc.

Maximum	No regulation – must be safe for workers
Overtime	Any hours more than 48.00 hours / week
Overtime Rate	1.5 times the employee's regular rate of pay

Minimum Wages

Nova Scotia has two wage rate standards as follows:

Parties Applicable	Wage Rate
Employees less than 3 months (no experience)	CDN$5.35 / hour (US$3.48)
Employees less than 3 months (experience)	CDN$5.80 / hour (US$3.79) Effective October 2001

New Brunswick

Hours of Work

Maximum	No limit to the hours that an employee can work
Overtime	Any hours over 44.00 hours / week
Overtime Rate	1.5 times the employee's regular rate of pay

Minimum Wages

The province of New Brunswick has one wage rate standard as follows:

Parties Applicable	Wage Rate
General	CDN$ 6.00 / hour (US$3.92) Effective August 2002

Prince Edward Island

Hours of Work

Maximum	No regulation - must be safe for workers
Overtime	Any hours more than 48.00 hours / week
Overtime Rate	1.5 times the employee's regular rate of pay

Minimum Wages
Prince Edward Island has one wage rate standard as follows:

Parties Applicable	Wage Rate
General	CDN$6.00 / hour (US$3.92) Effective July 2002

Newfoundland and Labrador

Hours of Work
The type of employee excluded from this legislation are farm workers, domestics, etc.

Maximum	14 hours / day except in emergencies
Overtime	Any hours more than 40.00 hours / week
Overtime Rate	No less than 1.5 times the employee's regular rate of pay

Minimum Wages
Newfoundland and Labrador has one wage rate standard as follows:

Parties Applicable	Wage Rate
16 and over	CDN$5.75 / hour (US$3.76) Effective May 2002

Each of Atlantic Canada's four provinces provide employer and employee services with respect to labour or employment standards. Employers who fall within federal jurisdiction are governed by the *Canada Labour Code*.

The legislation applicable by provincial jurisdiction is as follows:

Province	Act	Department Responsible	Contact
Nova Scotia	Labour Standards Code	Department of Environment and Labour Labour Standards Division	1 888-315-0110 www.gov.ns.ca/enla/labstand
New Brunswick	Employment Standards Act	Training and Employment Development Employment Standard Board	1 888 432-2687 or www.gnb.ca/0308/0001e.htm
Prince Edward Island	Employment Standards Act	Department of Community and Cultural Affairs Employment Standards Branch	1 800 333-4362 www.gov.pe.ca.commercial
Newfoundland and Labrador	Labour Standards Act	Department of Labour Labour Branch	709 729-7420 www.gov.nf.ca/labour

Labour – Management Relations

In Canada, the overall unionization rate in the first half of 2000 stood at 18.7% in the private sector. The public sector rate was 69.9%.

The average hourly wage for full-time unionized workers in Canada was US$12.14 in 1991 vs. US$9.99 for non-unionized workers (Source: Statistics Canada).

Wage increases in collective agreements, Canada-wide 1999 over 1998, for all industries stood at 2%, up from 1.6% the year before.

Generally speaking, labour-management relations in Atlantic Canada have been very good over the past several years. Strikes and work stoppages have been few.

Each of the four Atlantic Canadian provinces, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island, has its own legislation that governs unionized workers in the private sector.

Unionization

As a percentage of the workforce, unionization rates in Canada have been dropping over the past 10 years. Unionization rates by province for the private sector are as follows:

Nova Scotia	13.1%
New Brunswick	14.7%
Prince Edward Island	8.8%
Newfoundland and Labrador	21.7%

The names of the Acts, by Province, as well as pertinent provincial contacts, are as follows:

Province	Act	Contact
Nova Scotia	Trade Union Act	Gary Ross CEO 902 424-6730
New Brunswick	Industrial Relations Act	Nicole Bois Acting CEO, Labour Relations Board 506 453-2881
Prince Edward Island	Labour Act	Roy Doucette CEO, Labour Relations Board 902 368-5554
Newfoundland and Labrador	Labour Relations Act	Carmel Noel CEO 709 729-2707

Incentives

The Atlantic Canadian provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island all offer financial incentives to foreign companies.

Incentives are often offered to firms in economic sectors that the provinces are targeting. Generally, manufacturing, processing and selected service sectors qualify. As well, financial support is provided by the federal government through a Canadian federal agency. This organization is the Atlantic Canada Opportunities Agency (ACOA).

In Atlantic Canada, unlike most of the U.S. states, many of the incentives take the form of forgivable loans, interest free repayable loans or equity participation, or combinations thereof. This is as opposed to tax abatements or other forms of tax relief. The Province of Newfoundland and Labrador has a tax-based incentive program.

The region also offers training related incentives. They can be based on, for example, the hires by the company from individuals unemployed. They may take the form of subsidized wages.

Location incentives and appropriate contacts are listed below (see also the *Contacts* section).

Federal

Atlantic Canada Opportunities Agency	Human Resource Development Canada
Interest free repayable Loans	Training and employment

Atlantic Canada Provinces

Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador
Forgivable Loans	Forgivable Loans	Forgivable Loans	Tax Abatements
Training Grants	Training Grants	Training Grants	Training Grants
Equity Investments	Equity Investments	Equity Investments	Equity Investments

Research and Development (R&D)

The federal and provincial governments, universities and private sector companies are all participants and often partners in performing research and development. Governments support R&D through agencies and the provision of financing (programs) facilities and tax credits. Universities provide funding and talent (professors, teachers, graduate and undergraduate students) to perform R&D activities. Private sector firms are major financial contributors to research and development, as well as performing their own R&D activities.

Research and Development Tax Incentives (Federal)
The federal government supports R&D through the tax system in the form of tax deductions and cash rebates (investment tax credits).

National Research Council
The National Research Council (NRC) is recognized as Canada's premier science and technology research organization. The NRC works in partnership with innovative companies, universities and research organizations throughout the world.

The NRC has established centres of excellence for research in specific disciplines throughout Canada. Three such NRC centres have been established in Atlantic Canada, including the Institute for Marine Biosciences (Nova Scotia), the Institute for Marine Dynamics (Newfoundland and Labrador) and the recently established e-Business Institute (New Brunswick).

Industrial Research Assistance Program
The National Research Council's Industrial Research Assistance Program (IRAP) is a federal catalyst that links a diverse network of institutions, organizations and programs to help Canadian small and medium-sized enterprises (SMEs) develop and exploit technology in a competitive, knowledge-based economy.

Tax Deductions
A full tax deduction is available for qualified current and certain capital R&D expenditures incurred in Canada. Although current expenditures would generally be deductible anyway, the ability to deduct capital expenditures provides a significant benefit because capital items might otherwise be deducted over several years. All or any portion of qualified R&D expenditures incurred in the year are deductible. Any unclaimed amounts may be carried forward indefinitely and used in a subsequent year.

Investment Tax Credits
Investment tax credits may be claimed on R&D expenditures incurred in Canada. Tax credit rates vary from 20% to 35% of the R&D expenditure depending on the person or corporation carrying on the R&D and the location within Canada. Each dollar of tax credit directly reduces one dollar of federal tax payable.

Atlantic Provinces
The provincial governments in Atlantic Canada support research and development through infrastructure, research expertise, support to universities and in some cases, a provincial investment tax credit (New Brunswick, Nova Scotia, and Newfoundland and Labrador), which is in addition to the federal investment tax credit.

The Research and Productivity Council (New Brunswick), Bedford Institute of Oceanography, Food Technology Centre, (Prince Edward Island) and the Whale Research Group (Newfoundland and Labrador), in addition to RPC Technical Institutes, are samples of facilities for R&D in Atlantic Canada.

By their very nature, the 19 universities in Atlantic Canada are major participants and contributors to the research and development community in the region.

Related Web sites

Following is a list of related Web sites. The list features the individual economic development Web sites of the four individual provinces, as well as provincial Web sites. From these sites, specific provincial detail can be obtained.

In addition to the provincial Web sites are various Government of Canada sites. They can provide a wealth of information beyond what is in this information profile.

Beside each Web site name is a brief description of what it contains and the Web site address.

Provincial Economic Development Web sites

Province	What Is Included	Address
Nova Scotia	• Investment in Nova Scotia • Export Development • Business Retention and Expansion • Nova Scotia Business Inc. • Contacts and Links	www.novascotiabusiness.com
New Brunswick	• Workforce • Location • Infrastructure • Business Climate • Business Costs • Research & Development • Sectors • Lifestyle	www.newbrunswick.ca
Prince Edward Island	• Investing in PEI • Sectors of Excellence • Starting or Expanding a Business In Prince Edward Island • Trade and Export Development • Media Centre • Business Parks • About PEIBD • Contact Us	www.investpei.com
Newfoundland and Labrador	• Department of Industry, Trade and Rural Development	www.success.nfld.netmain.html

Atlantic Provincial Government Web sites

Province	What Is Included	Address
Nova Scotia	• What's New • Government • Business Opportunities • Vacation Paradise • Government Index • About Nova Scotia • Special Reports • News Releases • Business Links • Science and Nature • Other Government Resources	www.gov.ns.ca
New Brunswick	• Premier • Departments • Newswire • Tourism • Legislature • Frequently Asked Questions • Site map • Service New Brunswick • About New Brunswick • Special events	www.gnb.ca
Prince Edward Island	• Visitors' Guide • InfoPEI: A Complete Reference • Business and Technology • Government Information • Land and Sea • Maps and Communities • The Island in Pictures • The Island Store	www.gov.pe.ca
Newfoundland and Labrador	• Office of the Premier • Tourism • Business • Economy & Statistics • News Releases • Services • Departments/Agencies • Popular Links • Telephone Directory • About the Province	www.gov.nf.ca

Government of Canada Web sites

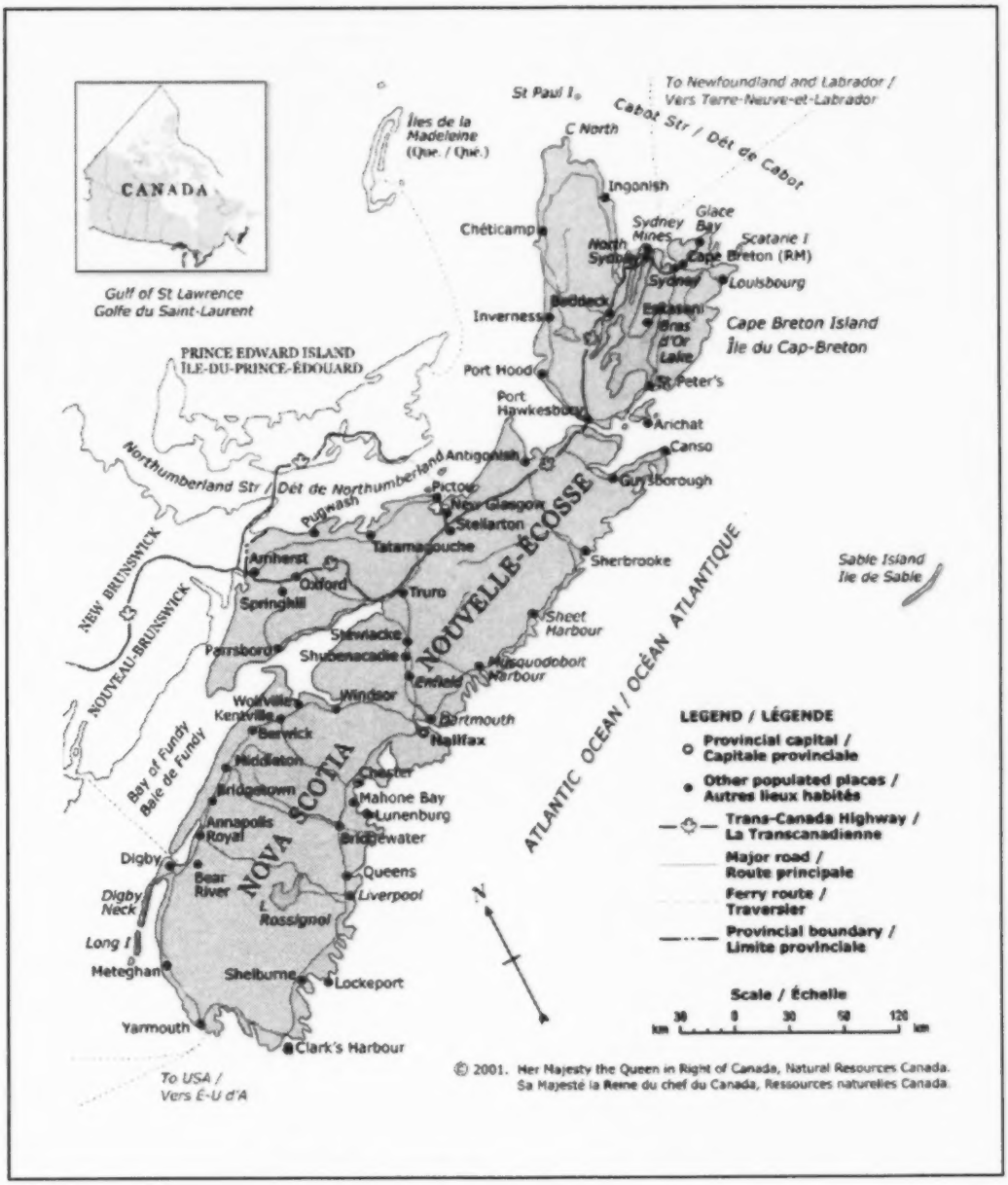
Name	What Is Included	Address
Atlantic Canada Opportunity Agency	• Contacts and links • Sources of financing • Trade and Investment • Innovation and Technology	www.acoa-apeca.gc.ca
Statistics Canada (Statcan) A comprehensive data research solutions	• Learning Resources • Information for Survey Participants • Statistical Methods • About Statistics Canada • Employment Opportunities • Business Data	www.statcan.ca/start.html
Strategis Canada's Business and Consumer Site	• Starting a Business • Financing • Exporting • Researching Markets • Suppliers, Partners, Customers • Managing People • Using Electronic Commerce • Exploiting Technology Opportunities • Other Links	www.strategis.gc.ca
Invest In Canada Investment Partnerships Canada, the sponsor of the Invest In Canada Web site, assists companies seeking to directly invest in Canada	• Canadian Advantages • Industry Sector Advantages • Investor Services • Economic Data: Major Metro Areas • Provincial and Territorial Information • New Capital Investments • What's New	www.investincanada.gc.ca
Transport Canada Transport Canada's mission is to develop and administer policies, regulations and services for the best transportation system for Canada	• Our Offices • Organization and Senior Management • Department and Publications • Programs and Services • Acts • Regulations	www.tc.gc.ca

Government of Canada Web sites (continued)

Name	What Is Included	Address
Citizenship and Immigration To build a stronger Canada by: • deriving maximum benefit from the global movement of people • protecting refugees at home and abroad • defining membership in Canadian society and • managing access to Canada	• Departments • Visitors • Immigrants • Refugees • Citizenship • Applications • On-line Services • News • Publications • Links	www.cic.gc.ca
Human Resource Development Canada (HRDC) Human Resources Development Canada enables Canadians to participate fully in the workplace and the community	• Innovation Strategy • Jobs, Workers, Training, Careers • Financial Assistance, Entitlements • Persons with Disabilities • Children and Youth • Aboriginal Peoples • Seniors • Employers and Entrepreneurs • Homelessness • Grants and Contributions	www.hrdc.gc.ca
Canada Customs and Revenue Agency The Canada Customs and Revenue Agency promotes compliance with Canada's tax, trade, and border legislation.	• Fairness and Clients' Rights • Customs • Tax • Child & Family Benefits • Tax Credit Programs • Helping Businesses • Tax Professionals	www.ccra-adrc.gc.ca

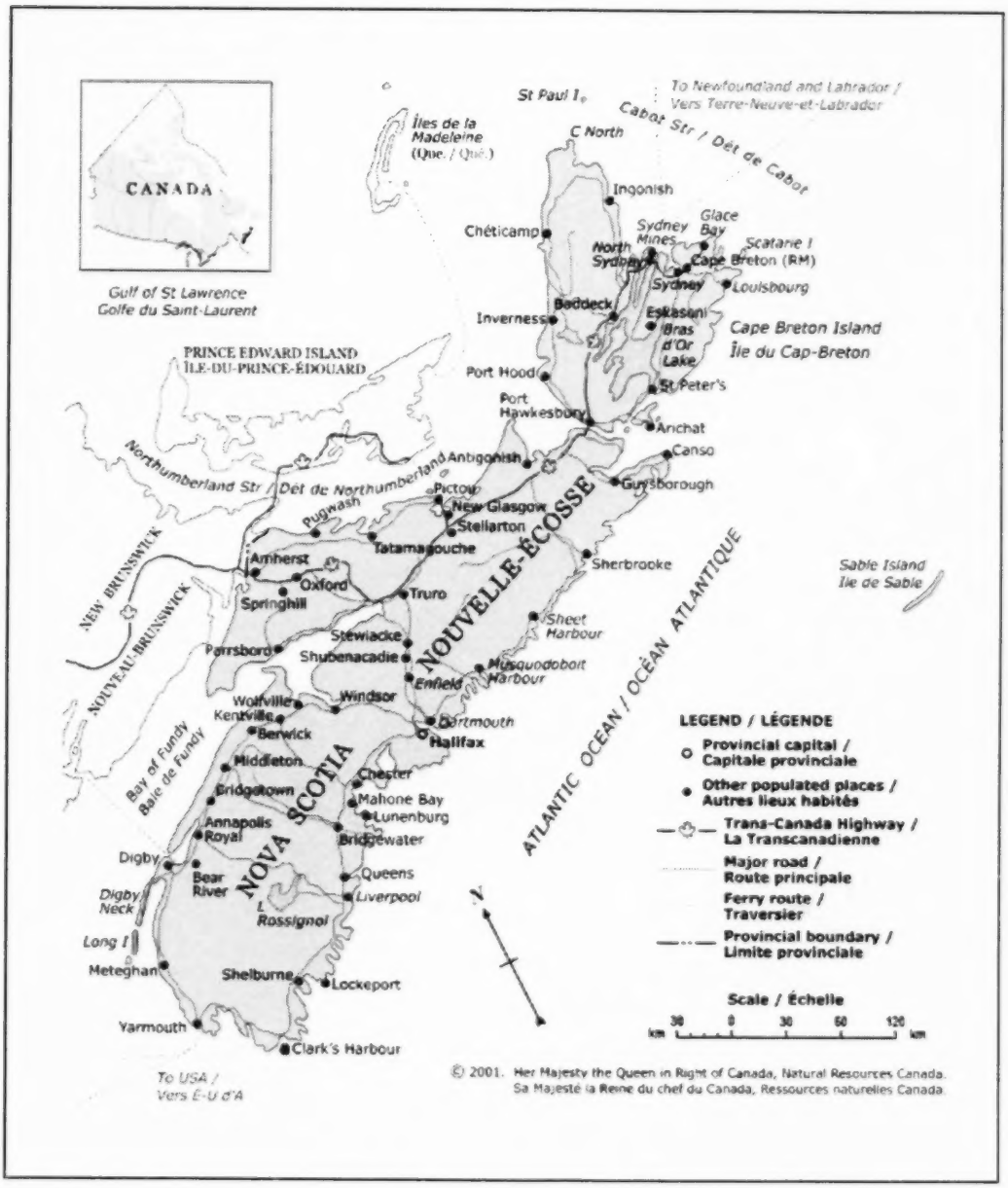
Maps

Nova Scotia

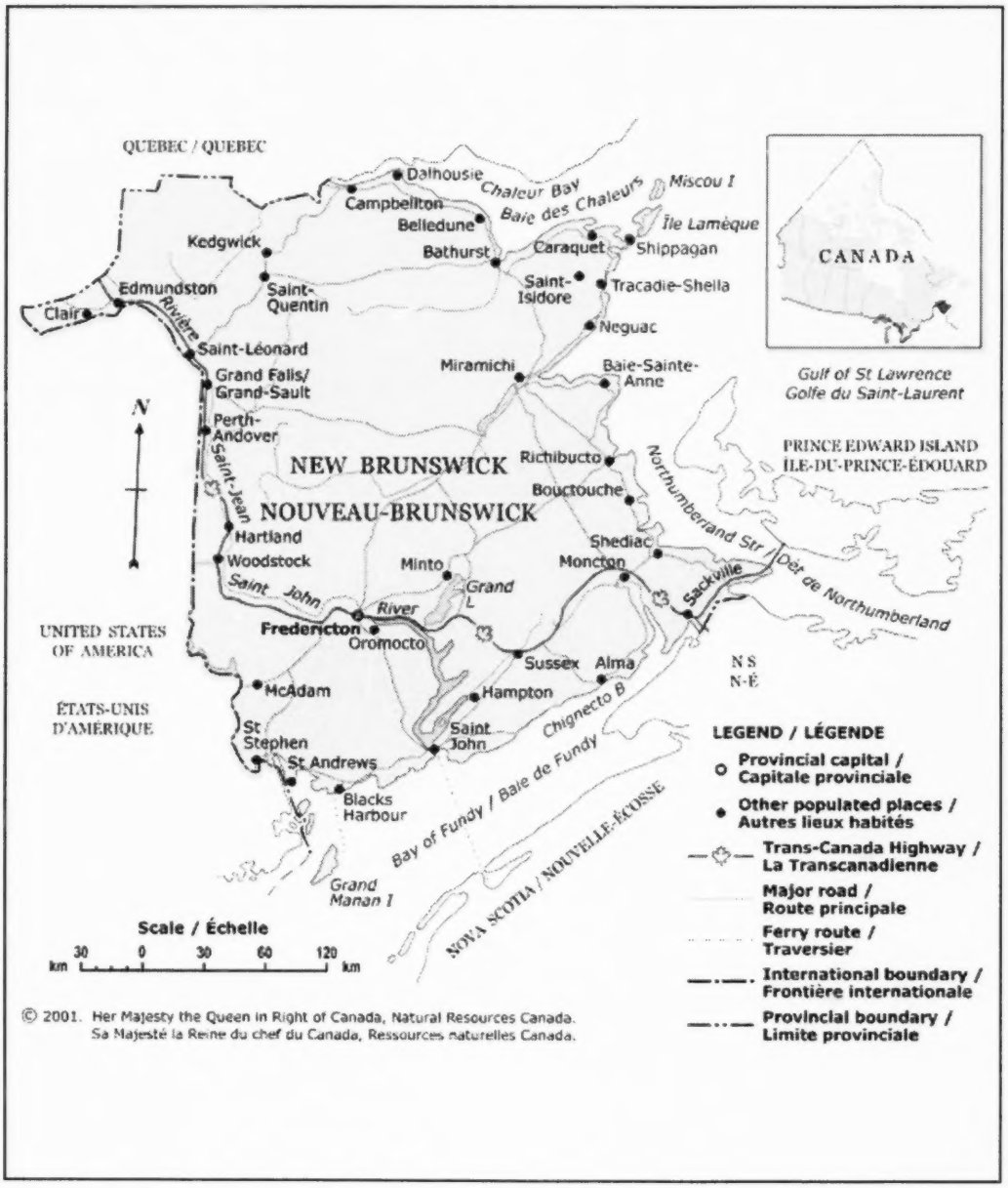


Maps

Nova Scotia



New Brunswick



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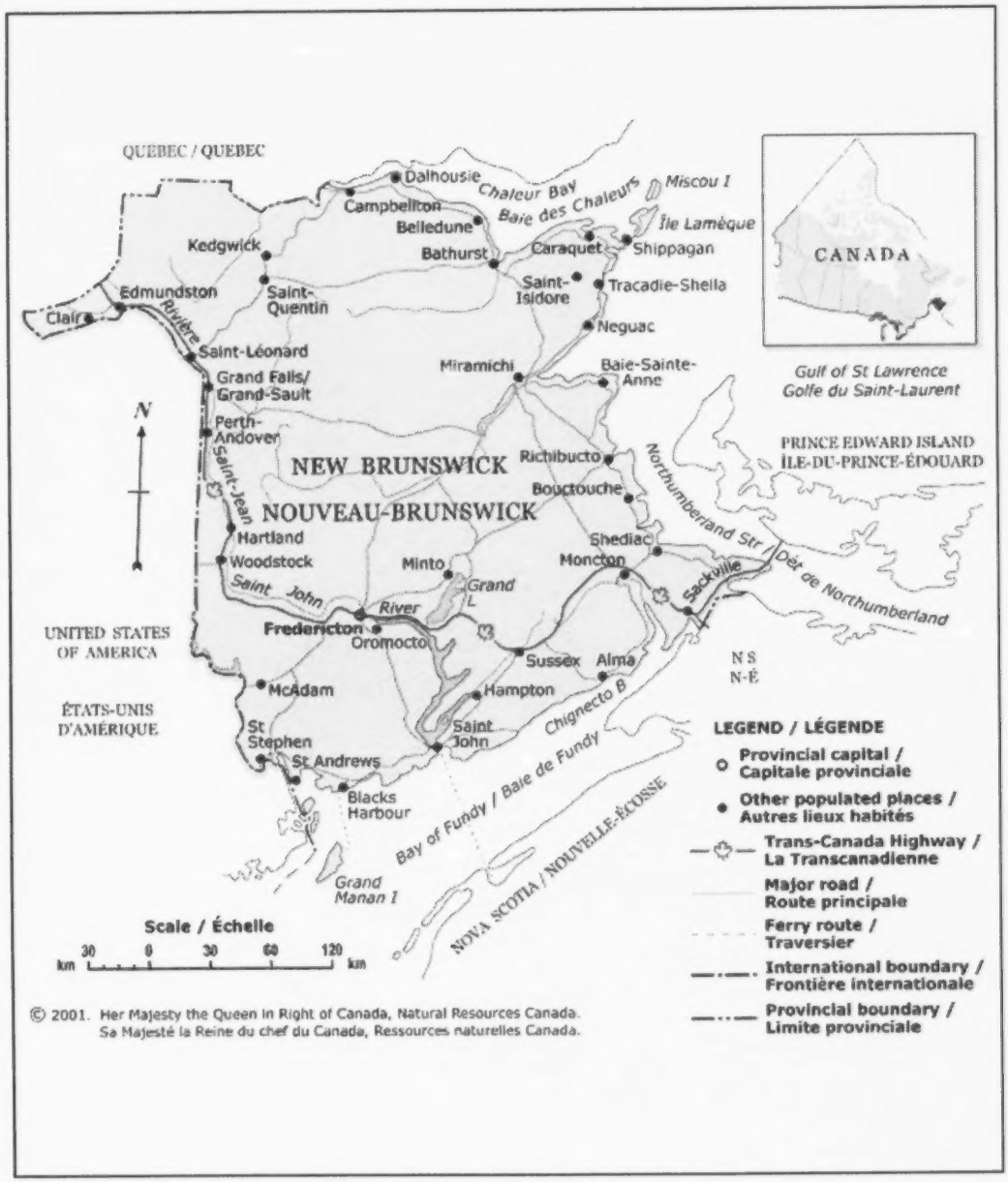
New Brunswick



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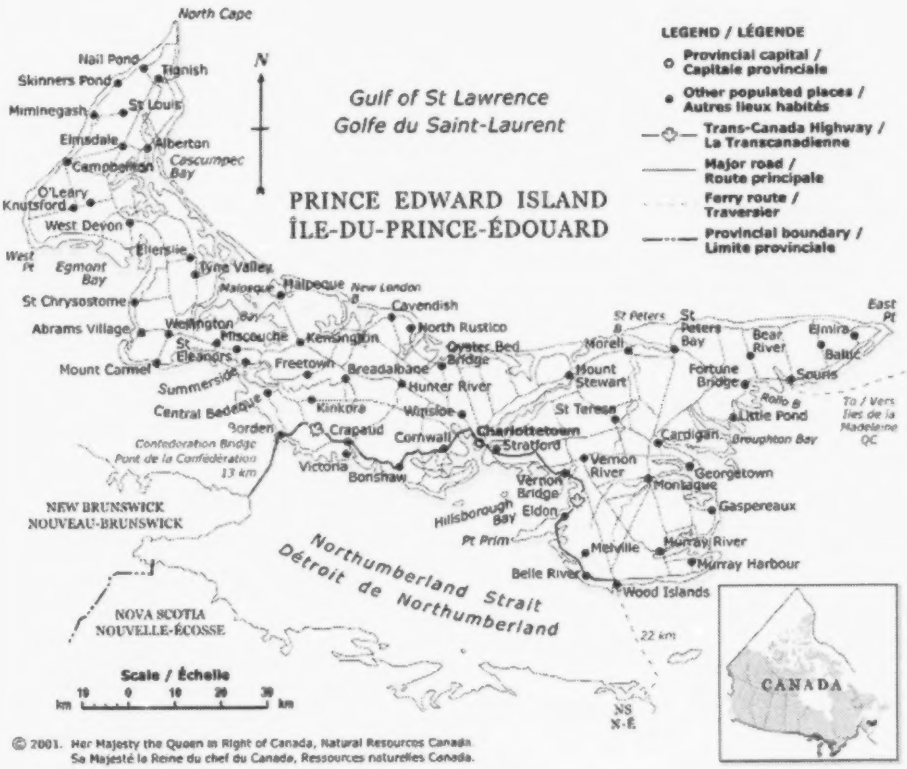
Prince Edward Island



Newfoundland and Labrador

About the Provinces of Atlantic Canada

Atlantic Canada consists of the four provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

For the corporate decision maker or site location consultant, each province offers a 'simple window' entry point for companies considering locating in Atlantic Canada. In each case, that is the provincial department responsible for economic development in the jurisdiction. These contacts are listed at the end of the document.

For general information on Atlantic Canada, the appropriate contact is listed under the Atlantic Canada Opportunities Agency (ACOA).

Each of the four Atlantic Canadian provinces has its own economic development strategies. As such, they have targeted certain specific industries for growth. From these targets flow their financial support programs. Their workforces and competitive cost structures benefit foreign firms locating a business in Atlantic Canada.

Each province offers specific services to clients ranging from preparing free comparative cost of operations analysis, to running job fairs for prospective investors.

New Brunswick targets 'Fortune 500' companies in two key sectors, knowledge-based industries, including call centres and IT, and companies in the plastics, metal and high-end capital intensive textile industries are a priority. Value-added resources (forestry and mining) are also sought. The United States and Europe, particularly Germany and Northern Italy, are targeted.

The province's advantages are its location, bordering the New England states, a low-cost business environment, and an abundant trained workforce (bilingual, French and English). Tailored financial assistance, usually in the form of forgivable loans, is offered to businesses.

Newfoundland and Labrador has targeted the United States, Europe and China as sources of new investment.

Sectors of priority for the Province are marine technology, IT, manufacturing, environmental, biotechnology industries and call centres.

The province's relatively low cost of operating and available workforce, together with an aggressive incentive package, the Economic Diversification and Growth Enterprises Program (EDGE), which provides companies with tax rebates, make the province an excellent location for the targeted industries.

Nova Scotia has identified ocean revenue (i.e., fish and fish products) land resources (forestry and minerals) oil and gas, agriculture and tourism as growth areas. IT, life sciences, learning and advanced manufacturing are target sectors.

An aggressive incentive program, coupled with an available and affordable high-quality labour force, transportation and communications infrastructure, low business costs and access to the U.S. make the province a strong contender for new business attraction.

Prince Edward Island business attraction efforts key on IT, aerospace repair and overhaul, life sciences, food development and diversified manufacturing.

Tailor-made financial incentives are offered to businesses, which fit into these targeted sectors. Low unionization rates, loyal workforce and low business costs are establishing the Island as an excellent location for business.

Contacts

Nova Scotia
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Toll Free: 1 800 561-7862
Fax: (506) 851-7403

Atlantic Canada welcomes foreign direct investment.

Our cost effective location, abundant, well-trained workforce, declining corporate taxes, safe and secure environment, as well as our proven work ethic are strong attributes of interest to all businesses seeking new locations.